

KENT MUSIC

England & Wales · Charity number 1110639

Details

Other names	KENT MUSIC SCHOOL
Status	Registered
Legal form	Charitable company
Company number	05464855
Registered	2005-07-29
Register	View on the Charity Commission register

Contact

Address	Kent Music Unit 25-26 Creative Enterprise Quarter Javelin Way Ashford TN24 8FN
Phone	01622691212
Email	rroberts@kent-music.com
Website	www.kent-music.com

Activities

Objects: THE PURPOSES OF THE CHARITY ('THE OBJECTS') SHALL BE THE PROMOTION OF THE PERFORMING ARTS IN ALL ITS FORMS AND IN PARTICULAR MUSIC AND FOR THIS PURPOSE TO PROVIDE EDUCATION TUITION AND ACTIVITIES FOR THE BENEFIT OF THE PUBLIC GENERALLY PRINCIPALLY WITHIN THE COUNTY OF KENT WHICH SHALL INCLUDE THE MEDWAY UNITARY AUTHORITY.

Activities: Kent Music is the lead partner for the music education hub for Kent. We provide instrumental & vocal tuition, ensembles, choirs and groups for children, young people & adults, bespoke support to schools, a financial assistance scheme to support children & young people on low incomes and a musical instrument service.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** PRINCIPALLY WITHIN THE COUNTY OF KENT, INCLUDING THE MEDWAY UNITARY AUTHORITY.
- Kent
- Medway

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£4,773,501	£3,225,666	£5,662,312	126
2023-08-31	£4,231,233	£3,115,030	£4,160,477	119
2022-08-31	£3,226,489	£3,202,311	£3,066,274	151
2021-08-31	£2,975,222	£2,880,710	£2,593,096	143
2020-08-31	£2,891,983	£2,976,774	£2,240,584	63

Trustees

Name	Role	Appointed
Alicia Moyles		2019-09-27
Alisdair Ashman		2026-03-27
Charlotte Elizabeth O'NEILL		2025-10-10
Christopher Alan Gabbitas		2025-10-10
Dr Mary Stakelum		2025-12-12
Elizabeth Mary Russell		2025-12-12
Esther Rhian Lock		2025-10-10
Heulwen Finley		2024-07-26
Jane Helen Wright		2025-10-10
Max Pullinger		2025-10-10
Phiroz Jimmy Khan		2025-10-10

KENT MUSIC

England & Wales - Charity number 1110639

Accounts

Registered number: 05464855
Charity number: 1110639

KENT MUSIC
Charitable Incorporated Organisation

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KENT MUSIC
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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KENT MUSIC
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES (AT THE DATE OF
APPROVAL OF THE FINANCIAL STATEMENTS) AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2024**

Trustees (at the date of approval of the financial statements)

Jessica Cooling
Rebecca Evernden
Heulwen Finley
Sarah Hamilton (appointed by Kent County Council)
Robin Hammerton
Timothy Leates
Ray Mia
Geoffrey Miles, Chair
Alicia Moyles
David Robey (appointed by Kent County Council)
Kyle Siwek
Elizabeth Topiwala

Company registered number

05464855

Charity registered number

1110639

Registered office

Units 25 & 26, Creative Enterprise Quarter
Javelin Way
Ashford
Kent
TN24 8FN

Chief Executive

Peter Bolton (retired April 25)
Gerry Sterling (appointed April 25)

Independent auditor

Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
37 St Margarets Street
Canterbury
Kent
CT1 2TU

Patron

Jools Holland OBE

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees present their annual report together with the audited financial statements of Kent Music (The Charity) for the year ended 31 August 2024. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Structure, governance and management

Constitution

Kent Music was incorporated as a charitable company limited by guarantee on 26 May 2005 and registered as a charity on 29 July 2005. The charity took over the assets and liabilities of Kent Music School on 1 September 2005. Kent Music School was registered as a charity on 20 November 1969.

The Charity was created under a memorandum of association which established the objects and powers of the charity and is governed under its articles of association.

Methods of appointment or election of Trustees

The management of the charity is the responsibility of the trustees who are elected under the terms in the articles of association.

Kent Music is keen to ensure that the board of trustees includes a broad base of relevant skills and experience. The method adopted for the recruitment and appointment of trustees is that vacancies are advertised, and applications invited. Shortlisted candidates are interviewed by the chair and one other trustee.

Trustees

The Trustees who served during the year are as follows:

Francesca Christmas (retired June 2024)
Jessica Cooling
Rebecca Evernden
Heulwen Finley (appointed July 2024)
Sarah Hamilton (appointed by Kent County Council)
Robin Hammerton
Sarah Hohler (retired September 2023)
Timothy Leates
Ray Mia
Geoffrey Miles (chair)
Alicia Moyles
David Robey (appointed October 2024)
Kyle Siwek
Elizabeth Topiwala

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management (continued)

Chief Executive

Peter Bolton

Senior Leadership Team

Olivia Edwards (Senior Leader, Music Hub)
Trevor James (Senior Leader, Tuition & Ensembles)
Ruth Roberts (Senior Leader, Operations)

Organisational structure and decision-making policies

The Board of trustees of up to 14 members meets four times a year. A chief executive is appointed by the trustees to manage the day-to-day operations of the charity. There is an executive committee which also acts as the audit committee which meets to support the chief executive and senior leadership team on matters concerned the day-to-day running of the organisation. During the year the Articles of Association were reviewed by the trustees including terms of office for trustees which were confirmed as up to three terms of three years.

Objectives and activities

The objectives of the charity are the promotion of the performing arts in all their forms, in particular music and for this purpose to provide education, tuition and activities for the benefit of the public generally, particularly in the county of Kent and the unitary authority of Medway.

Vision

Kent & Medway is where music thrives and musicians flourish.

Mission

Transform lives with high-quality, inclusive music education that responds to need and provides inspirational opportunities for growth and progression.

Values

Creativity – we champion creativity, nurture imagination and spark inspiration.

Achievement – we empower people to progress and excel.

Inclusion – we open doors, fostering inclusivity and accessibility.

Awareness – we recognise the impact of our actions and make ethical and informed choices.

Joy – we encourage fun, seeking enjoyment and opportunities for celebration.

Core aims

Support schools to create the conditions where music thrives.

Provide accessible music education pathways for all children & young people.

Empower children & young people to pursue their musical aspirations.

Deliver a sustainable business.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

Review of Activities

Tuition numbers remained stable during the course of the year. 2,700 people received instrumental & vocal lessons during the year at schools and in music centres.

Our music centres offered instrumental & vocal lessons and ensembles & choirs in Rochester, Sevenoaks, Tonbridge, Maidstone, Ashford, Folkestone, Broadstairs and Gravesend throughout the year.

Our creative ensemble, Orchestra ONE, took place during each half term creating new music from scratch in four-day courses, each ending with a performance. In October 2023 we collaborated with Jasmin Vardimon Company (JVC) on a music and dance project which brought together a group of young musicians and young dancers to create a new piece of music and dance which was performed in a double bill with Orchestra One at JV Home, the new home for JVC. The dance piece was repeated in a special performance for the Kent Ambassadors in November 2023. We added new courses in singing, strings and winds during the October and February half terms in response to excellent attendance at summer school courses.

Our county ensembles and county choir met throughout the year culminating in courses and concerts at Benenden School during the period of Kent Music Summer School. The summer school continued to grow and in summer 2024 there were 333 attendances on eight courses. In addition, primary schools from north Kent attended the summer school for a one day "Experience Day" which gave them the opportunity to play in the new Centenary Hall at Benenden School and see other courses taking place.

Music Hub

During the year Kent Music continued as the lead partner for the Music Hub for Kent. This included delivering whole class instrumental teaching to 3,752 children in 120 primary schools and funding a further 239 to buy in provision from other providers. 32 primary schools were supported to run an ensemble, 23 received bespoke curriculum support and 39 were supported to give them access to resources from *Sing Up* to enable them to develop singing in their schools.

78 secondary schools were funded during the year: 70 to enable them to provide an ensemble; 8 received bespoke support; 7 accessed Sing Up resources.

In addition, the hub supported 20 special schools and 19 junior schools during the year.

In total 145 ensembles were funded by the Music Hub in state schools in Kent during the year.

In November our annual Music Hub Schools Conference took place at the Kent Event Centre attracting delegates from 146 schools for a day of sessions from leading practitioners in the field of music education including an inspiring keynote presentation from Vaughan Fleischfresser, music education advocate and internationally recognised music educator.

The Music Hub provided professional development courses for classroom teachers and governors as well as tutoring on initial teacher training courses in partnership with *Kent Medway Trainers*. In total these activities reached 234 teachers and 16 school governors.

The Music Hub is prioritising "cold spot" areas as part of its future planning, focussing on areas of low engagement including Dover and the Isle of Sheppey. During the year the Hub undertook research in partnership with Pie Factory Music in Dover to understand the extent of the music provision in the town. The Hub was supported by Royal Opera & Ballet to undertake a similar piece of research on the Isle of Sheppey, commissioning The Audience Agency to carry out the research.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

In May 2024 Arts Council England appointed Kent Music to lead the Music Hub for Kent & Medway from September 2024. The new hub will be a partnership of organisations including schools that come together to deliver the aims for Music Hubs as set out in the National Plan for Music Education. Kent Music has been appointed until the end of August 2030 and funded with a revenue grant of £2,648,822 for the year beginning 1 September 2024. Kent Music has also been awarded a one-off capital grant of £870,116 for the purchase of musical instruments and equipment. As part of the planning for the capital grant research has been undertaken to understand the need for adapted and adaptive music instruments to support children & young people with special educational needs and disabilities (SEND).

Environmental Sustainability

Kent Music has developed an environmental sustainability strategy which includes: banking ethically to ensure that funds in Kent Music bank accounts support environmentally sustainable investment; ensuring that our headquarters in Ashford is run as sustainably as possible, this includes investing in renewable energy; providing access to Cycle to Work and electric vehicle salary sacrifice schemes and providing advice and support to teachers who work in schools and other venues around the county.

Equity, Diversity & Inclusion (EDI)

Kent Music employs a full time Inclusion Manager (job share) who delivers the organisation's inclusion strategy. The main priorities in the strategy are to: support children & young people in disadvantaged communities in Kent; support music in special schools in Kent; provide adapted and adaptive instruments for children and young people with SEND; ensure the voice of children & young people is integrated into the organisation; ensure our workforce is EDI trained and our recruitment practices support EDI and to reduce the financial barriers to accessing music education.

Charging and remissions policy

Kent Music has a charging and remissions policy designed to remove as many barriers to music education as possible. The policy covers the following:

- Kent Music's tuition fees aim to recover the hourly rate paid to the teacher, the cost of providing DBS checks, the cost of hiring teaching venues and a small contribution to the overheads of Kent Music.
- We run a whole class instrumental teaching programme that provides every child in Kent the opportunity to have free instrumental teaching for one hour per week.
- We receive subsidy from Kent County Council that enables us to provide a network of out of school music centres and county ensembles and choirs at a subsidised rate.
- Other projects and programmes run by Kent Music are provided for a small charge or free. This includes professional development courses for teachers, large scale celebration events for schools, the Kent Music Roadshow and occasional short-term projects.
- A financial assistance scheme funded by part of the grant from Arts Council England and other ad hoc grants and legacies supports 75% of the cost of tuition fees for children & young people who fall into various categories for state benefits. During the year 507 children & young people received support from the financial assistance scheme.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Future activities

The organisation has set itself the following priorities for the future:

- Continuing its work in “cold spot” areas to bring music to children and young people who are currently underserved. This will mean delivering programmes in Dover and on the Isle of Sheppey, producing research on music activity in Medway and commissioning a study into music in Gravesham.
- Continuing to support schools throughout Kent & Medway through a programme of funding, specialist consultancy and professional development.
- Completing the purchase of our office and storage facility in Javelin Way, Ashford.
- Continuing to provide a tuition service, music centres throughout the county, county level ensembles and choirs and the annual Kent Music Summer School.
- Continuing as the Lead Organisation for the Kent & Medway Music Hub
- Developing a plan for bringing live professional performances to children & young people.
- Seeking ways to develop income, particularly through individual giving.

The current Chief Executive is standing down at the end of April 2025 and a new Chief Executive has been appointed to lead the organisation.

Financial review

Going concern

The accounts have been prepared on a going concern basis. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

Kent Music have been confirmed as the Hub Lead Organisation until 2030 and funding of £2,648,822 has been awarded to Kent Music until August 2025 plus a capital grant of £870,116 until August 2026. This significant level of restricted income ensures the financial stability of the charity for the foreseeable future. Kent County Council have confirmed that they wish to continue to support Kent Music with a grant of £175,000 until March 2025 which allows us to invest in the county music programme. It is anticipated that this will be renewed until March 2026.

The unrestricted income has increased to £1,044,518 (2023: £920,732) whilst cash equivalents at 31st Aug 2024 were £1,868,537 (2023: £1,655,975) reinforcing the trustee view that Kent Music is a going concern.

Pay Policy for Key Management Personnel

Kent Music's pay policy sets out how pay for all staff will be reviewed including key management personnel. When senior staff appointments are made, a benchmarking exercise is carried out to establish pay levels.

Reserves policy

The charity has a target level of free reserves of three months' worth of unrestricted expenses this is circa £220,000. We currently have unrestricted reserves of £1,699,856 (2023: £1,556,683) with general funds of £1,537,114 (2023: £1,433,239). For a detailed breakdown please see page 30.

Free reserves are held for the following eventualities:

- As a deposit in purchasing Javelin Way.
- To cover a shortfall on the annual budget due to unforeseen expenses.
- To allow Kent Music to explore opportunities in line with its charitable objectives.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Financial Review (continued)

In addition, we have an endowment fund of £333,694 resulting from a gift to the charity by Mrs D Baker and restricted funds of £3,628,762 (2023: £2,270,100) for a detailed breakdown please see page 30.

Risk Management

The charity maintains a risk register that sets out the major risks in the following categories: business interruption; governance & management; financial management & resilience; reputation; transition to the Music Hub for Kent & Medway. The risk register is updated for each board meeting and the changes since the previous board meeting are brought to the attention of the trustees who discuss and agree any action that is required.

Guarantees

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2024 was 11 (2023: 13). The trustees have no beneficial interest in the charitable company.

Information on Fund Raising activities

Kent Music complies with sector best practice. There were no complaints in relation to fundraising during the year and no professional fundraisers or commercial partners conducted fundraising as representatives of Kent Music. The trustees have been made aware of the Fundraising Regulator's 2019 Code of Fundraising Practice which is applied to all fundraising activities.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Disclosure of information to auditor

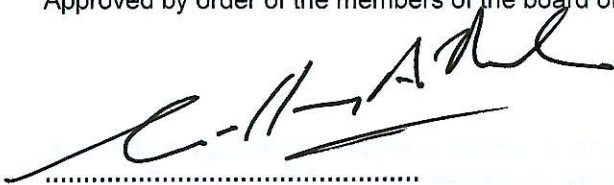
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Kreston Reeves LLP, has indicated willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Geoffery Miles (Chair)

Date: 28/3/25

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC

Opinion

We have audited the financial statements of Kent Music (the 'charitable company') for the year ended 31 August 2024 which comprise statement of financial activities (incorporating income and expenditure account), balance sheet, and notes to the financial statements, including 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 charitable company's affairs as at 31 August 2024, 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)

Opinions 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)

Auditor responsibilities for the audit of the financial statements (Continued)

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to safeguarding health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006 and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including safeguarding and health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity.

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. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

KENT MUSIC
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)

Auditor responsibilities for the audit of the financial statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Samantha Rouse FCCA DchA (Senior Statutory Auditor)

For and on behalf of

Kreston Reeves LLP

Statutory Auditor

Chartered Accountants

Canterbury

Date: 28 March 2025

KENT MUSIC
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2024**

		Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment 2024 £	Total funds 2024 £	Total funds 2023 £
	Note					
Income and endowments from:						
Donations and legacies	4	0	13,261	0	13,261	10,083
Charitable activities	5	1,015,043	3,698,938	0	4,713,981	4,210,717
Investments	6	29,475	16,784	0	46,259	10,433
Total income and endowments		1,044,518	3,728,983	0	4,773,501	4,231,233
Expenditure on:						
Charitable activities	7	855,345	2,370,321	0	3,225,666	3,115,030
Total expenditure		855,345	2,370,321	0	3,225,666	3,115,030
Net movement in funds before other recognised gains/(losses)						
		189,173	1,358,662	0	1,547,835	1,116,203
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	21	(46,000)	0	0	(46,000)	(22,000)
Net movement in funds		143,173	1,358,662	0	1,501,835	1,094,203
Reconciliation of funds:						
Total Funds brought forward		1,556,683	2,270,100	333,694	4,160,477	3,066,274
Net movement in funds		143,173	1,358,662	0	1,501,835	1,094,203
Total funds carried forward		1,699,856	3,628,762	333,694	5,662,312	4,160,477

The Statement of financial activities includes all gains and losses recognised in the year.
The notes on pages 19 to 38 form part of these financial statements.

KENT MUSIC
(A company limited by guarantee)

BALANCE SHEET
AS AT AUGUST 2024
REGISTERED NUMBER: 05464855

		2024	2023
	Note	£	£
Fixed assets			
Tangible assets	11	152,482	123,444
Intangible assets	11.1	10,260	0
		<u>162,742</u>	<u>123,444</u>
Current assets			
Debtors	12	3,730,981	2,482,002
Investments	13	333,694	333,694
Cash at bank and in hand		1,868,537	1,655,975
		<u>5,933,212</u>	<u>4,471,671</u>
Creditors: amounts falling due within one year	14	<u>(413,642)</u>	<u>(414,638)</u>
Net current assets		<u>5,519,570</u>	<u>4,057,033</u>
Total assets less current liabilities		<u>5,682,312</u>	<u>4,180,477</u>
Provisions for liabilities		(20,000)	(20,000)
Net assets excluding pension asset		<u>5,662,312</u>	<u>4,160,477</u>
Total net assets		<u><u>5,662,312</u></u>	<u><u>4,160,477</u></u>
Charity Funds			
Endowment funds	15	333,694	333,694
Restricted funds	15	3,628,762	2,270,100
Unrestricted funds	15	1,699,856	1,556,683
Total funds		<u><u>5,662,312</u></u>	<u><u>4,160,477</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

KENT MUSIC
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

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



Timothy Leates

Date: 28th March 2025

The notes on pages 19 to 38 form part of these financial statements.

KENT MUSIC
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	17	<u>239,315</u>	<u>199,815</u>
Cash flows from investing activities			
Dividends, interests and rents from investments		46,259	12,320
Purchase of tangible fixed assets		(64,752)	(84,272)
Purchase of intangible fixed assets		(10,260)	0
Proceeds from sale of tangible fixed assets		2,000	0
Net cash used in investing activities		<u>(26,753)</u>	<u>(71,952)</u>
Cash flows from financing activities			
Cash inflows from financing		0	0
Net cash provided by financing activities		<u>0</u>	<u>0</u>
Change in cash and cash equivalents in the year		212,562	127,863
Cash and cash equivalents at the beginning of the year		1,655,975	1,528,112
Cash and cash equivalents at the end of the year	18	<u>1,868,537</u>	<u>1,655,975</u>

The notes on pages 19 to 38 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1. Charity information

The principal activity of the entity during the year was the provision of music education.

The charity is a charitable company limited by guarantee which is incorporated and registered in England and Wales (05464855).

The address of the Registered office is:

Units 25 & 26,
Creative Enterprise Quarter,
Javelin Way,
Ashford,
TN24 8FN

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Kent Music 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.

The accounts are prepared in Pound Sterling (GBP£) and are rounded to the nearest pound.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Going concern

The accounts have been prepared on a going concern basis. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

Kent Music have been confirmed as the Hub Lead Organisation until 2030 and funding of £2,648,822 has been awarded to Kent Music until August 25 plus a capital grant of £870,116 until August 26. This significant level of restricted income ensures the financial stability of the charity for the foreseeable future.

Kent County Council have confirmed that they wish to continue to support Kent Music with a grant of £175,000 until March 2025 which allows us to invest in the county music programme.

The unrestricted income has increased to £1,044,518 (2023: £920,732) plus cash equivalents as at 31st August 2024 was £1,868,537 (2023: £1,655,975) reinforcing that Kent Music is a going concern.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Teaching income is recognised in the period in which it is receivable and to the extent the lessons have been provided or on completion of the service.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.6 Intangible fixed assets and amortisation

Intangible fixed assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

Website Development and Design: 20% straight line

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Fixtures, fittings and equipment - 3.33%-25% straight line

Instruments - 4%-33% straight line

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and 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.

2.10 Investments

Current asset investments includes cash or other short-term liquid investments with a short maturity of more than three months but less than 12 months from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.11 Liabilities

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

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

2.12 Financial instruments

The Company 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 measured at amortised cost using the effective interest method.

2.13 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

2.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The charity previously operated a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2022 and updated to the 31st August 2024.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1) The present value of the Local Government Pension Scheme defined benefit fund depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension fund.

Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions fund at 31 August 2024.

Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension fund.

The liability has also been calculated using mortality rates used by the UK government.

The plan surplus as at 31 August 2024 was £629,000 (2023: £591,000). A pension plan asset is recognised to the extent that the charity is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. In the opinion of the trustees, the charity will not recover the surplus through reduced contributions and they do not anticipate receiving any refunds from the plan and therefore the net surplus recognised within the financial statements has been restricted to £NIL.

4. Income from donations and legacies

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
One off donations by individuals	<u>13,261</u>	<u>13,261</u>	<u>10,083</u>

KENT MUSIC
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

5. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Tuition fees	916,035	0	916,035	734,902
Kent County Council	0	175,000	175,000	119,000
Instruments hire fees	88,342	0	88,342	59,906
Concert fees and admission charges	2,788	0	2,788	3,016
Other income	7,878	5,000	12,878	3,908
Grants	0	3,518,938	3,518,938	3,289,985
	<u>1,015,043</u>	<u>3,698,938</u>	<u>4,713,981</u>	<u>4,210,717</u>
Total 2023	<u>920,732</u>	<u>3,289,985</u>	<u>4,210,717</u>	

Income from Kent County Council in the financial year was £175,000 (2023, £175,000). In the prior year charitable income from Kent County Council was shown against Kent County Council £119,000 and Grants £56,000.

6. Investment income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Investment income	<u>29,475</u>	<u>16,784</u>	<u>46,259</u>	<u>10,433</u>

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

7. Analysis of expenditure by Fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Pension finance costs	6,600	0	6,600	8,250
Staff costs	380,572	1,622,442	2,003,014	1,860,448
Travel costs	41,575	0	41,575	51,408
Instrument costs	0	31,959	31,959	18,291
Staff training and recruitment	0	43,457	43,457	24,224
Operating lease rentals	7,349	0	7,349	7,290
Accommodation, computer and office costs	159,714	148,252	307,966	358,457
Other expenses	142,347	5,000	147,347	147,674
Other teaching and administrative costs	0	55,449	55,449	57,693
Bursaries	0	160,253	160,253	140,421
(Profit)/Loss on disposal of fixed assets	201	0	201	2,201
Trustees' Indemnity Insurance	1,097	0	1,097	554
Professional fees	76,581	0	76,581	63,683
School funding	0	303,509	303,509	302,744
Life insurance	5,795	0	5,795	5,926
Depreciation and amortisation	33,514	0	33,513	65,766
	<u>855,345</u>	<u>2,370,321</u>	<u>3,225,666</u>	<u>3,115,030</u>
Total 2023	<u>931,753</u>	<u>2,183,277</u>	<u>3,115,030</u>	

8. Auditor's remuneration

	2024 £	2023 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	14,450	15,000
Fees payable to the Company's auditor in respect of:		
Preparation of the financial statements	<u>0</u>	<u>3,000</u>

KENT MUSIC
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

9. Staff costs

	2024	2023
	£	£
Wages and salaries	1,821,675	1,698,370
Social security costs	133,421	117,231
Contribution to defined contribution pension schemes	47,918	44,847
	<u>2,003,014</u>	<u>1,860,448</u>

The average number of persons employed by the Company during the year was as follows:

	2024	2023
	No.	No.
Teachers	90	89
Administration	36	30
	<u>126</u>	<u>119</u>

The number of employees whose employee benefits (excluding employer pension costs and national insurance) exceeded £60,000 was:

	2024	2023 - As restated	2023
	No.	No.	No.
In the band £90,001 - £100,000	1	1	0
In the band £100,001 - £110,000	0	0	1

The prior year number of employees has been restated from banding £100,001-£110,000 to £90,001-£100,000 as previously it including elements not classified by SORP as employee benefits.

The senior management team comprised the Chief Executive, senior leader music hub, senior leader tuition & ensembles and senior leader operations. The total remuneration of key management personnel in the year was £253,947 (2023 - £245,525). Total remuneration includes gross pay, employer national insurance and employer pension costs.

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

10. Trustees' remuneration and expenses

During the year ended 31 August 2024, £135 was reimbursed or paid directly to a Trustee for travel expenses. (2023 - £nil).

11. Tangible fixed assets

	Assets under Construction £	Fixtures, fittings and equipment £	Instruments £	Total £
Cost or valuation				
At 1 September 2023	0	210,288	618,472	828,760
Additions	5,000	39,731	20,021	64,752
Disposals	0	(1,254)	(24,834)	(26,088)
At 31 August 2024	<u>5,000</u>	<u>248,765</u>	<u>613,659</u>	<u>867,424</u>
Depreciation				
At 1 September 2023	0	127,002	578,314	705,316
Charge for the year	0	18,240	15,273	33,513
On disposals	0	(1,254)	(22,633)	(23,887)
At 31 August 2024	<u>0</u>	<u>143,988</u>	<u>570,954</u>	<u>714,942</u>
Net book value				
At 31 August 2024	<u>5,000</u>	<u>104,777</u>	<u>42,705</u>	<u>152,482</u>
At 31 August 2023	<u>0</u>	<u>83,286</u>	<u>40,158</u>	<u>123,444</u>

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

11.1 Intangible fixed assets

Assets under Construction

	AUC Website Development and Design £	Total £
Cost or valuation		
At 1 September 2023	0	0
Additions	10,260	10,260
Disposals	0	0
At 31 August 2024	<u>10,260</u>	<u>10,260</u>
Net book value		
At 31 August 2024	<u>10,260</u>	<u>10,260</u>
At 31 August 2023	<u>0</u>	<u>0</u>

12. Debtors

	2024	2023
	£	£
Due within one year		
Trade debtors	51,742	35,197
Prepayments and accrued income	3,679,239	2,446,805
	<u>3,730,981</u>	<u>2,482,002</u>

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

13. Current asset investments

	2024	2023
	£	£
Unlisted investments	<u>333,694</u>	<u>333,694</u>

14. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	49,221	690
Other taxation and social security	38,808	34,981
Other creditors	25,808	35,445
Accruals	85,954	151,997
Deferred income	<u>213,851</u>	<u>191,525</u>
	<u>413,642</u>	<u>414,638</u>

At the balance sheet date the Charity held funds received in advance of the 2024/25 financial year in respect of tuition fees.

	2024	2023
	£	£
Deferred income at 1 September 2023	191,525	0
Amounts released from previous periods	(191,525)	0
Resources deferred during the year	<u>213,851</u>	<u>191,525</u>
Deferred income at 31 August 2024	<u>213,851</u>	<u>191,525</u>

KENT MUSIC
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

15. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Designated funds						
Fixed Asset Fund	123,444	0	(33,513)	62,551	0	152,482
Assets under construction - Intangible	0	0	0	10,260	0	10,260
General funds						
General Funds - all funds	1,433,239	1,044,518	(821,832)	(72,811)	(46,000)	1,537,114
Total						
Unrestricted funds	1,556,683	1,044,518	(855,345)	0	(46,000)	1,699,856
Endowment Funds	333,694	0	0	0	0	333,694
Restricted funds						
(i) KYWO instrument fund	6,015	0	0	0	0	6,015
(ii) Bursary fund	33,702	13,261	(3,042)	0	0	43,921
(iii) Kent Youth Choir (KYC)	3,078	0	(3,078)	0	0	0
(iv) Youth Music	10,724	0	0	0	0	10,724
(v) Arts Council England	2,197,399	3,518,938	(2,197,399)	0	0	3,518,938
(vi) D A Baker Endowment	0	16,784	(11,802)	0	0	4,982
(vii) Kent County Council	19,182	175,000	(150,000)	0	0	44,182
(viii) Royal Opera House	0	5,000	(5,000)	0	0	0
	2,270,100	3,728,983	(2,370,321)	0	0	3,628,762
Total of funds	4,160,477	4,773,501	(3,225,666)	0	(46,000)	5,662,312

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Designated funds						
Fixed Asset Fund	86,288	0	(65,766)	102,922	0	123,444
General funds						
General Funds - all funds	<u>1,482,900</u>	<u>941,248</u>	<u>(865,987)</u>	<u>(102,922)</u>	<u>(22,000)</u>	<u>1,433,239</u>
Total Unrestricted funds	<u>1,569,188</u>	<u>941,248</u>	<u>(931,753)</u>	<u>0</u>	<u>(22,000)</u>	<u>1,556,683</u>
Endowment Funds	<u>333,694</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>333,694</u>
Restricted funds						
(i) KYWO instrument fund	11,865	0	(5,850)	0	0	6,015
(ii) Bursary fund	37,091	0	(3,389)	0	0	33,702
(iii) Kent Youth Choir (KYC)	3,078	0	0	0	0	3,078
(iv) Youth Music	10,724	0	0	0	0	10,724
(v) Arts Council England	1,089,855	3,113,098	(2,005,554)	0	0	2,197,399
(vi) D A Baker Endowment	10,779	1,887	(12,666)	0	0	0
(vii) Kent County Council	0	175,000	(155,818)	0	0	19,182
	<u>1,163,392</u>	<u>3,289,985</u>	<u>(2,183,277)</u>	<u>0</u>	<u>0</u>	<u>2,270,100</u>
Total of funds	<u>3,066,274</u>	<u>4,231,233</u>	<u>(3,115,030)</u>	<u>0</u>	<u>(22,000)</u>	<u>4,160,477</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

15. Statement of funds (continued)

Purpose of restricted funds

- (i) The Kent Youth Wind Orchestra instrument fund relates to funds received for the benefit of the Kent Youth Wind Orchestra.
- (ii) The bursary fund relates to income received specially to assist students with the cost tuition fees.
- (iii) The Kent Youth Choir fund is a donation received from Medway Opera when it closed and relates to the unspent balance of monies received.
- (iv) Youth Music is the unspent balance of funds received from the National Foundation for Youth Music for the completion of a project.
- (v) The Arts Council England fund is funding from Arts Council England to deliver the core and extension roles of the music education hub for Kent.
- (vi) The D A Baker endowment fund is a fund left to Kent Music to support music tuition for children in West Kent. The figures in Unrestricted Funds relate to the annual income and expenditure derived from the interest earned on the capital sum.
- (vii) Kent County Council grant runs from April 24 to March 25 and is to support out of school provision including orchestras, ensembles and the summer school.
- (viii) Royal Opera House provided a grant to support music education in Isle of Sheppey which was fully utilised in the year.

In the prior year there was a change in the timing of the grant receivable from the Arts Council England which brought the funding in line with the academic year. Previously grant income was confirmed as at 1 April for the 12 month period and was recognised in full at that date. Costs are considered to be incurred evenly over the term of the grant which was previously 1 April to 31 March. The prior year figures historically included 7 months of income which was to be used from September to March in line with the grant term. As at 31 August 2024 there is a balance of £3,518,938 which recognises the entire revenue grant for the increased area of Kent and Medway and the newly awarded capital grant confirmed in accordance with the accounting policy, but takes into account no costs as the entire amount relates to the post year end period.

Purpose of designated funds

The Fixed asset fund represents the value of funds invested in fixed assets which are not, by the nature of fixed assets, readily available for other purposes.

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	152,482	0	0	152,482
Intangible Fixed Assets	10,260	0	0	10,260
Current assets	1,970,756	3,628,762	333,694	5,933,212
Creditors due within one year	(413,642)	0	0	(413,642)
Provisions for liabilities and charges	(20,000)	0	0	(20,000)
Total	1,699,856	3,628,762	333,694	5,662,312

Analysis of net assets between funds - prior year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	123,444	0	0	123,444
Current assets	1,712,059	2,425,918	333,694	4,471,671
Creditors due within one year	(414,638)	0	0	(414,638)
Provisions for liabilities and charges	(20,000)	0	0	(20,000)
Difference	155,818	(155,818)	0	0
Total	1,556,683	2,270,100	333,694	4,160,477

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2024	2023
	£	£
Net income for the year (as per Statement of Financial Activities)	<u>1,547,835</u>	<u>1,116,203</u>
Adjustments for:		
Depreciation charges	33,513	65,765
Actuarial gains	(46,000)	(22,000)
Dividends, interests and rents from investments	(46,259)	(12,320)
Loss/(profit) on the sale of fixed assets	201	2,201
Increase in debtors	(1,248,979)	(1,157,616)
Increase in creditors	(996)	228,432
Non cash Fixed Asset additions	0	(20,850)
Net cash provided by/(used in) operating activities	<u><u>239,315</u></u>	<u><u>199,815</u></u>

18. Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash in hand	<u>1,868,537</u>	<u>1,655,975</u>
Total cash and cash equivalents	<u><u>1,868,537</u></u>	<u><u>1,655,975</u></u>

19. Analysis of changes in net debt

	At 1 September 2023	Cash flows	At 31 August 2024
	£	£	£
Cash at bank and in hand	1,655,975	212,562	1,868,537
Liquid investments	333,694	0	333,694
	<u><u>1,989,669</u></u>	<u><u>212,562</u></u>	<u><u>2,202,231</u></u>

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

20. Provisions

	Dilapidation provision £
At 1 September 2023	20,000
	<u>20,000</u>

21. Actuarial gains on defined benefit pension schemes

	Pension reserve 2024 £	Total funds 2024 £	Total funds 2023 £
Net pension asset in the statement of financial position			
Present value of the defined benefit obligation	1,688,000	1,688,000	1,664,000
Fair value of Fund assets	(2,317,000)	(2,317,000)	(2,255,000)
Non recognised pension surplus	629,000	629,000	591,000
Total for 2024	<u>0</u>	<u>0</u>	<u>0</u>

Actuarial losses and gains on defined benefit pension schemes as shown in the Statement of financial activities are as follows.

	2024 £	2023 £
Actuarial (losses)/ gains - defined benefit obligation	(95,000)	78,000
Actuarial (losses)/ gains from fair value of scheme assets	<u>49,000</u>	<u>(100,000)</u>
Actuarial (losses)/ gains on defined benefit pension schemes	<u>(46,000)</u>	<u>(22,000)</u>

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

22. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the defined contribution pension scheme and amounted to £47,918 (2023: £44,847) as shown in note 9. These were payable to the fund at the balance sheet date and are included in creditors.

The Charity also operates a defined benefit pension scheme which is closed to new members. The pension charge is based on a full actuarial valuation dated 31 March 2022, and updated to the 31st August 2024. The plan surplus as at 31 August 2024 was £629,000 (2023: £591,000). A pension plan asset is recognised to the extent that the charity is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. In the opinion of the trustees, the charity will not recover the surplus through reduced contributions and they do not anticipate receiving any refunds from the plan and therefore the net surplus recognised within the financial statements has been restricted to £NIL.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	At 31 August 2024	At 31 August 2023
	%	%
Discount rate	4.95%	5.40%
Future salary increases	3.80%	3.85%
Future pension increases	2.80%	2.85%
RPI increases	3.25%	3.35%
CPI increases	<u>2.80%</u>	<u>2.85%</u>

	At 31 August 2024	At 31 August 2023
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	20.7	20.7
- at 65 for a male aged 45 now	22.0	22.0
- for a female aged 65 now	23.3	23.2
- at 65 for a female aged 45 now	<u>24.7</u>	<u>24.6</u>

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

22. Pension commitments (continued)

The Company's share of the assets in the scheme was:

	<i>At 31 August</i> 2024	<i>At 31 August</i> 2023
	£	£
Equities	1,323,000	1,432,000
Gilts	162,000	13,000
Other bonds	337,000	312,000
Property	214,000	227,000
Cash and other liquid assets	56,000	24,000
Absolute return fund	117,000	162,000
Infrastructure	108,000	85,000
Total fair value of assets	2,317,000	2,255,000

The amounts recognised in the Statement of financial activities are as follows:

	2024	2023
	£	£
Interest cost	(32,000)	(8,000)
Administrative expenses	2,000	1,000
Total amount recognised in the Statement of financial activities	(30,000)	(7,000)

Movements in the present value of the defined benefit obligation were as follows:

	2024	2023
	£	£
Opening defined benefit obligation	1,664,000	2,156,000
Interest on assets	87,000	90,000
Actuarial (gains) / losses	95,000	(78,000)
Benefits paid	(115,000)	(87,000)
Unfunded pension payments	(5,000)	(4,000)
Non recognised pension surplus	(38,000)	(413,000)
Closing defined benefit obligation	1,688,000	1,664,000

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

22. Pension commitments (continued)

Movements in the fair value of the Company's share of scheme assets were as follows:

	2024	2023
	£	£
Opening fair value of scheme assets	2,255,000	2,342,000
Actuarial gains / (losses)	49,000	(100,000)
Contributions by employer	16,000	15,000
Contributions by scheme participants	119,000	90,000
Benefits paid	(120,000)	(91,000)
Administrative expenses	(2,000)	(1,000)
Closing fair value of scheme assets	<u>2,317,000</u>	<u>2,255,000</u>

23. Operating lease commitments

At 31 August 2024 the Company had commitments to make future minimum lease payments under noncancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	10,584	10,584
Later than 1 year and not later than 5 years	14,722	26,327
	<u>25,306</u>	<u>36,911</u>

In 2022 Kent Music entered into an agreement for the purchase of the virtual freehold (999-year lease) of two units located in Javelin Way, Ashford. The purchase is being made from Kent County Council at the agreed purchase price of £1,400,000. The funding of this purchase will be made via a loan of £1,400,000 from Ashford Borough Council. The loan period will be 40 years with the interest rate and term under consideration. No contract had been signed as at 31 August 2024, and therefore there is no accounting implication of this arrangement in the current year beyond a £1 peppercorn rent.

24. Related Party Disclosures

There have been no related party transactions in the year under review.

KENT MUSIC

England & Wales - Charity number 1110639

Accounts

Registered number: 05464855
Charity number: 1110639

KENT MUSIC
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

KENT MUSIC
(A company limited by guarantee)

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KENT MUSIC
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES (AT THE DATE OF
APPROVAL OF THE FINANCIAL STATEMENTS) AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023**

Trustees (at the date of approval of the financial statements)

Geoffrey Miles, Chair
Timothy Leates
Sarah Hohler (appointed by Kent County Council)
Francesca Christmas
Robin Hammerton
Elizabeth Topiwala
Kyle Siwek
Alicia Moyles
Jessica Cooling
Rebecca Evernden
Sarah Hamilton (appointed by Kent County Council)
Ray Mia

Company registered number

05464855

Charity registered number

1110639

Registered office

Units 25 & 26, Creative Enterprise Quarter
Javelin Way
Ashford
Kent
TN24 8FN

Chief executive officer

Peter Bolton

Independent auditor

Crowe U.K. LLP
Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH

Patron

Jools Holland OBE

KENT MUSIC
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the audited financial statements of Kent Music (The Charity) for the year ended 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Structure, governance and management

Constitution

Kent Music was incorporated as a charitable company limited by guarantee on 26 May 2005 and registered as a charity on 29 July 2005. The charity took over the assets and liabilities of Kent Music School on 1 September 2005. Kent Music School was registered as a charity on 20 November 1969.

The Charity was created under a memorandum of association which established the objects and powers of the charity and is governed under its articles of association.

Methods of appointment or election of Trustees

The management of the charity is the responsibility of the trustees who are elected under the terms in the articles of association.

Kent Music is keen to ensure that the board of trustees includes a broad base of relevant skills and experience. The method adopted for the recruitment and appointment of trustees is that vacancies are advertised and applications are invited. Shortlisted candidates are interviewed by the chair and one other trustee. However, during the year the trustees put a freeze on the recruitment of new trustees pending the outcome of the government's consultation on geographies to be covered by new Music Hubs that are due to come in from 1 September 2024.

Trustees

The Trustees who served during the year are as follows:

Geoff Miles (chair)
Timothy Leates
Sarah Hohler (appointed by Kent County Council)
Francesca Christmas
Robin Hammerton
Elizabeth Topiwala
Lesley-Ann Smith (resigned March 2024)
Kyle Siwek
Alicia Moyles
Jessica Cooling
Rebecca Evernden
Sarah Hamilton (appointed by Kent County Council)
Ray Mia

KENT MUSIC
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

Chief Executive

Peter Bolton

Senior Leadership Team

Olivia Edwards (senior leader, music hub)
Trevor James (senior leader, tuition & ensembles)
Ruth Roberts (senior leader, operations)

Organisational structure and decision-making policies

The board of trustees of up to 14 members meets 4 times a year to administer the Charity. A chief executive is appointed by the trustees to manage the day to day operations of the charity. There is an executive committee of trustees, which also acts as the audit committee which meets to support the chief executive and leadership team on matters concerning the day-to-day running of the organisation.

Induction training for new trustees is provided and they are also offered the opportunity to attend other relevant training courses.

Policies and objectives

The purposes of the charity are the promotion of the performing arts in all their forms, in particularly music and for this purpose to provide education, tuition and activities for the benefit of the public generally, particularly in the county of Kent and the unitary authority of Medway.

Values

During the year Kent Music underwent an exercise to redefine its values. It undertook surveys and consultations with key stakeholders at the end of which the following value set was agreed:

Creativity	- we champion creativity, nurture imagination and spark inspiration
Achievement	- we empower people to progress and excel
Inclusion	- we open doors, fostering inclusivity and accessibility
Awareness	- we recognise the impact of our actions and make ethical and informed choices
Joy	- we encourage fun, seeking enjoyment and opportunities for celebration

Mission

Kent Music is a strategic music organisation for Kent, providing and facilitating music education, inspiration and support for learners, schools, teachers, musicians and audiences.

Core aims

To provide access to instrumental and vocal teaching across Kent.

To provide access to a broad range of out-of-school music activities across Kent.

To create the conditions where music thrives in schools in Kent.

KENT MUSIC
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

Pay policy for key management personnel

Kent Music's pay policy sets out how pay for all staff will be reviewed including key management personnel. When senior staff appointments are made, a benchmarking exercise is carried out to establish pay levels.

Financial risk management

The Trustees have assessed the major risks to which the Company is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

A new business plan has been designed and started in September 2021. The plan draws on the experience of the 2020/21 academic year to plot a path to recovery and into a period of growth. The focus of the plan is on four core aims: providing instrumental & vocal tuition to as many students as possible across the county; providing students access to a broad range of out-of-school music activities; creating the conditions where music thrives in Kent schools; and supporting and developing the workforce. These core aims will be supported by plans for inclusion, youth voice, partnership working, income generation, communication and digital technology.

Achievements and Performance

Policies and objectives

Charging and remissions policy

Kent Music has a charging and remissions policy designed to remove as many barriers to music education as possible. The policy covers the following:

- Kent Music's tuition fees aim to recover the hourly rate paid to the teacher, the cost of providing DBS checks, the cost of hiring teaching venues and a small contribution to the overheads of Kent Music.
- We run a whole class instrumental teaching programme that provides every child in Kent the opportunity to have free instrumental teaching for one hour per week.
- We receive subsidy from Kent County Council that enables us to provide a network of out of school music centres and county ensembles and choirs at a subsidised rate.
- Other projects and programmes run by Kent Music are provided for a small charge or free. This includes professional development courses for teachers, large scale celebration events for schools, the Kent Music Roadshow and occasional short-term projects.
- A bursary scheme funded by part of the grant from Arts Council England and other ad hoc grants and legacies supports 75% of the cost of tuition fees for children & young people who fall into various categories for state benefits

KENT MUSIC
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Achievements and Performance (continued)

Review of activities

During the year student numbers continued to recover from pandemic levels and at the end of the year we were teaching just under 1,000 students in one-to-one and small group lessons.

Our Whole Class Ensemble Teaching programme, MusicPlus, also grew through the year starting with 123 projects in 81 schools at the start of the academic year and ending the year with 141 projects in 92 schools. The number of schools buying us in for music activities increased through the year from 20 at the start of the year to 40 by the end of the year.

This was the first year that our music centres had been open for a full year since the pandemic. During the course of the year plans were put in place to move Medway Towns Music Centre from Fort Pitt Grammar School in Chatham to the St. Joseph Williamson Mathematical School in Rochester.

Kent County Youth Orchestra, Kent Youth Wind Orchestra and Kent Youth Choir ran a full set of courses during the year. To mark the start of Kent Music's 75th year Kent County Youth Orchestra gave a performance of Absolute Jest by John Adams – one of the most challenging pieces the orchestra has ever played. The orchestra was joined by the Sacconi String Quartet, three of whom are alumni of the orchestra, and we are grateful to the Oak Foundation for supporting their involvement.

Kent Music Summer School continued to thrive and celebrated its 75th year at Benenden School. 333 students attended summer school courses which is an increase on 309 in the previous year. In addition primary school students attended an "experience" day where they had the opportunity to perform in the new concert hall and visit activities taking place around the site.

Kent Music's roadshow, featuring three of our most experienced teachers, performed in schools throughout the county every Monday during term time, reaching approximately 10,000 children.

Music Education Hub

During the year Arts Council England undertook a national consultation on the question of geographical areas for the new music hubs due to come into effect from September 2024. The chief executive attended a focus group in London and the senior leadership team contributed to a survey. In June 2023 the Department for Education announced that the current number of 118 music hubs will reduce to 43 and that Kent and Medway will merge into a single music hub organisation. Over the summer work took place to prepare a bid to become the Hub Lead Organisation for the new Kent & Medway Hub. The outcome of the bid will be known in April 2024.

Organisational change

In September 2022 Kent Music moved to a new building in Ashford as part of a new cultural quarter in Javelin Way. The new building enabled the organisation to bring all of its administration & management staff, musical instruments, equipment and library under one roof for the first time. The building is being purchased from Kent County Council with a loan from Ashford Borough Council. This is a significant development for the organisation because it reduces the cost of premises, makes running activities much more efficient and improves communication between different parts of the organisation.

Also, in September 2022 a new staff structure was put in place, following a consultation that was reported on in last year's review.

KENT MUSIC
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Achievements and Performance (continued)

Going concern

After rigorous scenario planning we can confidently say that it is correct to prepare these statements on the going concern basis because we have a stable level of income from tuition, instrument hire and school opportunities which is independent of funding.

Kent County Council have confirmed that they wish to continue to support Kent Music with a Grant of £175,000 from April 2024 to March 2025.

Arts Council England (ACE) have confirmed that funding to music hubs will remain at current levels until August 2024. In advance of August 2024 there will be a bidding process to run music education hubs when funding for an unspecified period beyond September 2024 will be confirmed.

While there is uncertainty over the future level of funding from ACE we have a high level of free reserves which are in excess of our reserve policy and these will be utilised to support Kent Music through a transition period should the charity no longer be the Hub Lead Organisation.

Financial review

Reserves policy

The charity has a target level of free reserves of three months' worth of unrestricted expenses this is circa £270,000. We currently have general reserves of £1,556,683 (2022: £1,569,188) with free reserves of £1,433,239 (2022: £1,482,900). For a detailed breakdown please see page 27.

Free reserves are held for the following eventualities:

- To cover potential fluctuations in funding from grants while costs are adjusted.
- To cover a shortfall on the annual budget due to unforeseen expenses.
- To provide options in our approach for purchasing Javelin Way.
- To allow Kent Music to explore opportunities in line with its charitable objectives.

In addition the following sums are held in reserve:

- An endowment fund of £333,694 resulting from a gift to the charity by Mrs D Baker
- Restricted funds of £2,270,100.

Risk Management

The charity maintains a risk register that sets out the major risks in the following categories: delivery; governance and management; financial management and resilience; reputational risk; and transitional risk. The risk register is updated for each board meeting and the changes since the previous board meeting are brought to the attention of the trustees who discuss and agree any action that is required.

Guarantees

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2023 was 13 (2022:12). The trustees have no beneficial interest in the charitable company.

Information on Fund Raising activities

Kent Music complies with sector best practice. There were no complaints in relation to fundraising during the year and no professional fundraisers or commercial partners conducted fundraising as representatives of Kent Music. The trustees have been made aware of the Fundraising Regulator's 2019 Code of Fundraising Practice which is applied to all fundraising activities.

KENT MUSIC
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

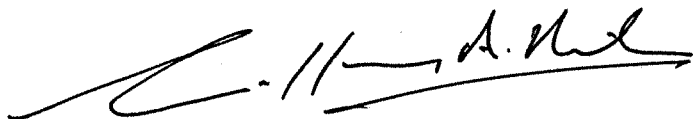
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Geoff Miles (Chair)

Date: 22nd March 2024

KENT MUSIC
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC

Opinion

We have audited the financial statements of Kent Music (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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 charitable company's affairs as at 31 August 2023 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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.

KENT MUSIC
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.
- 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 our knowledge and understanding of the charitable company 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 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

KENT MUSIC
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management including considerations of known or suspected instances of non-compliance with laws and regulations and fraud.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combination.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

KENT MUSIC
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Weekes (senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: 26 March 2024

KENT MUSIC
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	4	10,083	-	-	10,083	3,638
Charitable activities	5	920,732	3,289,985	-	4,210,717	3,221,415
Investments	6	10,433	-	-	10,433	1,436
Total income and endowments		941,248	3,289,985	-	4,231,233	3,226,489
Expenditure on:						
Charitable activities	7	931,753	2,183,277	-	3,115,030	3,202,311
Total expenditure		931,753	2,183,277	-	3,115,030	3,202,311
Net movement in funds before other recognised gains/(losses)						
		9,495	1,106,708	-	1,116,203	24,178
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	23	(22,000)	-	-	(22,000)	469,000
Net movement in funds		(12,505)	1,106,708	-	1,094,203	493,178
Reconciliation of funds:						
Total funds brought forward		1,569,188	1,163,392	333,694	3,066,274	2,573,096
Net movement in funds		(12,505)	1,106,708	-	1,094,203	493,178
Total funds carried forward		1,556,683	2,270,100	333,694	4,160,477	3,066,274

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 16 to 34 form part of these financial statements.

KENT MUSIC
(A company limited by guarantee)
REGISTERED NUMBER: 05464855

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	123,444	86,288
		<u>123,444</u>	<u>86,288</u>
Current assets			
Debtors	12	2,482,002	1,324,386
Investments	13	333,694	333,694
Cash at bank and in hand		1,655,975	1,528,112
		<u>4,471,671</u>	<u>3,186,192</u>
Creditors: amounts falling due within one year	14	(414,638)	(186,206)
Net current assets		<u>4,057,033</u>	<u>2,999,986</u>
Total assets less current liabilities		<u>4,180,477</u>	<u>3,086,274</u>
Provisions for liabilities		(20,000)	(20,000)
Net assets excluding pension asset		<u>4,160,477</u>	<u>3,066,274</u>
Total net assets		<u><u>4,160,477</u></u>	<u><u>3,066,274</u></u>
Charity funds			
Endowment funds	16	333,694	333,694
Restricted funds	16	2,270,100	1,163,392
Unrestricted funds	16	1,556,683	1,569,188
Total funds		<u><u>4,160,477</u></u>	<u><u>3,066,274</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

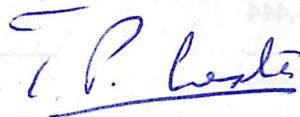
KENT MUSIC

(A company limited by guarantee)
REGISTERED NUMBER: 05464855

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

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

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



Timothy Leates

Date: 22/3/24

The notes on pages 16 to 34 form part of these financial statements.

KENT MUSIC
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	18	199,815	(7,867)
Cash flows from investing activities			
Dividends, interests and rents from investments		12,320	1,469
Proceeds from the sale of tangible fixed assets		(84,272)	(5,487)
Net cash used in investing activities		(71,952)	(4,018)
Cash flows from financing activities			
Cash inflows from financing		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		127,863	(11,885)
Cash and cash equivalents at the beginning of the year		1,528,112	1,539,997
Cash and cash equivalents at the end of the year	19	1,655,975	1,528,112

The notes on pages 16 to 34 form part of these financial statements

KENT MUSIC
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Charity information

The principal activity of the entity during the year was the provision of music education.

The charity is a charitable company limited by guarantee which is incorporated and registered in England and Wales (05464855).

The address of the Registered office is:

Units 25 & 26,
Creative Enterprise Quarter,
Javelin Way,
Ashford,
TN24 8FN

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Kent Music 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.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Going concern

After rigorous scenario planning we can confidently say that it is correct to prepare these statements on the going concern basis because we have a stable level of income from tuition, instrument hire and school opportunities which is independent of funding.

Kent County Council have confirmed that they wish to continue to support Kent Music with a Grant of £175,000 from April 2024 to March 2025.

Arts Council England (ACE) have confirmed that funding to music hubs will remain at current levels until August 2024. In advance of August 2024 there will be a bidding process to run music education hubs when funding for an unspecified period beyond September 2024 will be confirmed.

While there is uncertainty over the future level of funding from ACE we have a high level of free reserves which are in excess of our reserve policy and these will be utilised to support Kent Music through a transition period should the charity no longer be the Hub Lead Organisation.

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Teaching income is recognised in the period in which it is receivable and to the extent the lessons have been provided or on completion of the service.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £200 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Long Term Leasehold Property	- Over the term of the lease
Fixtures, fittings and equipment	- 3.33%-25% straight line
Instruments	- 4%-33% straight line

At the beginning of the year, management decided it would be more relevant to change the fixtures, fittings and equipment method from the reducing balance method to the straight line method. This change has been made prospectively from the beginning of the year. If the change had not been made, this would result in a NBV increase of £11,634, which is not material to the accounts.

2.7 Debtors

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

2.8 Cash at bank and in hand

Cash at bank and 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.

2.9 Liabilities

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

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

KENT MUSIC
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.10 Financial instruments

The Company 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 measured at amortised cost using the effective interest method.

2.11 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

2.12 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The charity previously operated a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2022 and updated to the 31st August 2023.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1) The present value of the Local Government Pension Scheme defined benefit fund depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension fund.

Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions fund at 31 August 2023.

Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension fund.

The liability has also been calculated using mortality rates used by the UK government

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
One off donations by individuals	10,083	10,083	3,638

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Tuition fees	734,902	-	734,902	754,992
Kent County Council	119,000	-	119,000	204,000
Instruments hire fees	59,906	-	59,906	61,118
Concert fees and admission charges	3,016	-	3,016	2,566
Other income	3,908	-	3,908	755
Grants	-	3,289,985	3,289,985	2,189,806
Coronavirus job retention scheme	-	-	-	8,178
	<u>920,732</u>	<u>3,289,985</u>	<u>4,210,717</u>	<u>3,221,415</u>
<i>Total 2022</i>	<u>1,031,609</u>	<u>2,189,806</u>	<u>3,221,415</u>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income	<u>10,433</u>	<u>10,433</u>	<u>1,436</u>

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

7. Analysis of expenditure by Fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance costs	8,250	-	8,250	9,000
Staff costs	318,669	1,541,779	1,860,448	1,878,546
Travel costs	51,408	-	51,408	33,774
Instrument costs	-	18,291	18,291	46,877
Staff training and recruitment	-	24,224	24,224	25,089
Operating lease rentals	7,290	-	7,290	104,960
Accommodation, computer and office costs	245,909	112,548	358,457	244,688
Other expenses	147,674	-	147,674	84,114
Other teaching and administrative costs	14,423	43,270	57,693	42,036
Bursaries	-	140,421	140,421	150,168
(Profit)/Loss on disposal of fixed assets	2,201	-	2,201	(206)
Trustees' Indemnity Insurance	554	-	554	896
Professional fees	63,683	-	63,683	53,530
School funding	-	302,744	302,744	484,626
Life insurance	5,926	-	5,926	7,210
Depreciation and amortisation	65,766	-	65,766	37,003
	<u>931,753</u>	<u>2,183,277</u>	<u>3,115,030</u>	<u>3,202,311</u>
<i>Total 2022</i>	<u>860,074</u>	<u>2,342,237</u>	<u>3,202,311</u>	

8. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	15,000	11,200
Fees payable to the Company's auditor in respect of:		
Preparation of the financial statements	<u>3,000</u>	<u>3,800</u>

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

9. Staff costs

	2023 £	2022 £
Wages and salaries	1,698,370	1,707,124
Social security costs	117,231	126,840
Contribution to defined contribution pension schemes	44,847	44,582
	<u>1,860,448</u>	<u>1,878,546</u>

The average number of persons employed by the Company during the year was as follows:

	2023 No.	2022 No.
Teachers	89	108
Administration	30	43
	<u>119</u>	<u>151</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £90,001 - £100,000	-	-
In the band £100,001 - £110,000	1	1

The senior management team comprised the Chief Executive, senior leader, music hub, senior leader, tuition & ensembles and senior leader, operations. The total remuneration of key management personnel in the year was £245,525 (2022 - £248,266).

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. Trustees' remuneration and expenses

During the year ended 31 August 2023, no Trustees received any remuneration or other benefits (2022 - £Nil).

During the year ended 31 August 2023, no expenses were reimbursed or paid directly to any Trustee (2022 - £nil).

11. Tangible fixed assets

	Long-term leasehold property £	Fixtures, fittings and equipment £	Instruments £	Total £
Cost or valuation				
At 1 September 2022	75,919	153,399	676,830	906,148
Additions	-	76,272	28,850	105,122
Disposals	(75,919)	(19,383)	(87,208)	(182,510)
At 31 August 2023	-	210,288	618,472	828,760
Depreciation				
At 1 September 2022	75,919	120,495	623,446	819,860
Charge for the year	-	25,061	40,704	65,765
On disposals	(75,919)	(18,554)	(85,836)	(180,309)
At 31 August 2023	-	127,002	578,314	705,316
Net book value				
At 31 August 2023	-	83,286	40,158	123,444
At 31 August 2022	-	32,904	53,384	86,288

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	35,197	127,291
Other debtors	-	2,863
Prepayments and accrued income	2,446,805	1,194,232
	<u>2,482,002</u>	<u>1,324,386</u>

Closing accrued income is made up from grants which have met the entitlement criteria but which relate to future accounting periods. The change in timing of the Arts Council England grant in the current year means that accrued amounts are higher as at 31 August 2024.

13. Current asset investments

	2023 £	2022 £
Unlisted investments	<u>333,694</u>	<u>333,694</u>

14. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	690	4,808
Other taxation and social security	34,981	36,128
Other creditors	35,445	23,768
Accruals and deferred income	343,522	121,502
	<u>414,638</u>	<u>186,206</u>

15. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>1,989,669</u>	<u>1,861,806</u>

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Designated funds						
Fixed Asset Fund	86,288	-	(65,766)	102,922	-	123,444
General funds						
General Funds - all funds	1,482,900	941,248	(865,987)	(102,922)	(22,000)	1,433,239
Total Unrestricted funds	1,569,188	941,248	(931,753)	-	(22,000)	1,556,683
Endowment Funds	333,694	-	-	-	-	333,694
Restricted funds						
KYWO instrument fund	11,865	-	(5,850)	-	-	6,015
Bursary fund	37,091	-	(3,389)	-	-	33,702
Kent Youth Choir (KYC)	3,078	-	-	-	-	3,078
Youth Music	10,724	-	-	-	-	10,724
Arts Council England	1,089,855	3,113,098	(2,005,554)	-	-	2,197,399
D A Baker Endowment	10,779	1,887	(12,666)	-	-	-
Kent County Council	-	175,000	(155,818)	-	-	19,182
	1,163,392	3,289,985	(2,183,277)	-	-	2,270,100
Total of funds	3,066,274	4,231,233	(3,115,030)	-	(22,000)	4,160,477

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Designated funds					
Fixed asset fund	117,808	-	(31,520)	-	86,288
General funds					
General Funds - all funds	1,281,771	1,036,683	(828,554)	(7,000)	1,482,900
Pension reserve	(476,000)	-	-	476,000	-
	<u>805,771</u>	<u>1,036,683</u>	<u>(828,554)</u>	<u>469,000</u>	<u>1,482,900</u>
Total Unrestricted funds	<u>923,579</u>	<u>1,036,683</u>	<u>(860,074)</u>	<u>469,000</u>	<u>1,569,188</u>
Endowment Funds - all funds	<u>333,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,694</u>
Restricted funds					
KYWO instrument fund	11,865	-	-	-	11,865
Bursary fund	37,091	-	-	-	37,091
Kent Youth Choir (KYC)	3,078	-	-	-	3,078
Youth Music	8,546	11,178	(9,000)	-	10,724
Arts Council England	1,244,464	2,178,628	(2,333,237)	-	1,089,855
D A Baker Endowment	10,779	-	-	-	10,779
	<u>1,315,823</u>	<u>2,189,806</u>	<u>(2,342,237)</u>	<u>-</u>	<u>1,163,392</u>
Total of funds	<u><u>2,573,096</u></u>	<u><u>3,226,489</u></u>	<u><u>(3,202,311)</u></u>	<u><u>469,000</u></u>	<u><u>3,066,274</u></u>

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Statement of funds (continued)

Purpose of restricted funds

- (i) The Kent Youth Wind Orchestra instrument fund relates to funds received for the benefit of the Kent Youth Wind Orchestra.
- (ii) The bursary fund relates to income received specially to assist students with the cost tuition fees.
- (iii) The Kent Youth Choir fund is a donation received from Medway Opera when it closed and relates to the unspent balance of monies received.
- (iv) Youth Music is the unspent balance of funds received from the National Foundation for Youth Music for the completion of a project.
- (v) The Arts Council England fund is funding from Arts Council England to deliver the core and extension roles of the music education hub for Kent.
- (vi) The D A Baker endowment fund is a fund left to Kent Music to support music tuition for children in West Kent. The figures in Unrestricted Funds relate to the annual income and expenditure derived from the interest earned on the capital sum.

In the current year there has been a change in the timing of the grant receivable from the Arts Council England which brings the funding in line with the academic year. Previously Grant income was confirmed as at 1 April for the 12 month period and was recognised in full at that date. Costs are considered to be incurred evenly over the term of the grant which was previously 1 April to 31 March. The outstanding balance therefore historically included 7 months of income which was to be used from September to March in line with the grant term. In the current year as at 31 August 2023 there is a balance of £2,197,399 which recognises the entire amount confirmed in accordance with the accounting policy, but takes into account no costs as the entire amount relates to the post year end period.

Purpose of designated funds

The Fixed asset fund represents the value of funds invested in fixed assets which are not, by the nature of fixed assets, readily available for other purposes.

KENT MUSIC
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	123,444	-	-	123,444
Current assets	1,712,059	2,425,918	333,694	4,471,671
Creditors due within one year	(414,638)	-	-	(414,638)
Provisions for liabilities and charges	(20,000)	-	-	(20,000)
Difference	155,818	(155,818)	-	-
Total	1,556,683	2,270,100	333,694	4,160,477

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	86,288	-	-	86,288
Current assets	1,689,106	1,163,392	333,694	3,186,192
Creditors due within one year	(186,206)	-	-	(186,206)
Provisions for liabilities and charges	(20,000)	-	-	(20,000)
Total	1,569,188	1,163,392	333,694	3,066,274

KENT MUSIC
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	1,116,203	24,178
Adjustments for:		
Depreciation charges	65,765	37,003
Actuarial gains	(22,000)	-
Dividends, interests and rents from investments	(12,320)	(8,263)
Loss/(profit) on the sale of fixed assets	2,201	(206)
Decrease in stocks	-	1,003
Increase in debtors	(1,157,616)	(65,243)
Increase in creditors	228,432	3,661
Non cash Fixed Asset additions	(20,850)	-
Net cash provided by/(used in) operating activities	199,815	(7,867)

19. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	1,655,975	1,528,112
Total cash and cash equivalents	1,655,975	1,528,112

20. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,528,112	127,863	1,655,975
Liquid investments	333,694	-	333,694
	1,861,806	127,863	1,989,669

KENT MUSIC
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

21. Provisions

	Dilapidation provision £
At 1 September 2022	20,000
	20,000

22. Actuarial gains on defined benefit pension schemes

	Pension reserve 2023 £	Total funds 2023 £	Total funds 2022 £
Net pension asset in the statement of financial position			
Present value of the defined benefit obligation	1,664,000	1,664,000	2,156,000
Fair value of Fund assets	(2,255,000)	(2,255,000)	(2,334,000)
Non recognised pension surplus	591,000	591,000	178,000
Total 2023	-	-	-

KENT MUSIC
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

23. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £44,847 (2022 - £44,582) were payable to the fund at the balance sheet date and are included in creditors.

The Charity also operates a defined benefit pension scheme which is closed to new members.

The pension charge is based on a full actuarial valuation dated 31 March 2022, and updated to the 31st August 2023.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	At 31 August 2023	<i>At 31 August 2022</i>
	%	%
Discount rate	5.40	4.25
Future salary increases	3.85	4.20
Future pension increases	2.85	3.20
RPI increases	3.35	3.70
CPI increases	2.85	3.20

	At 31 August 2023	<i>At 31 August 2022</i>
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	20.7	21.0
- at 65 for a male aged 45 now	22.0	22.3
- for a female aged 65 now	23.2	23.5
- at 65 for a female aged 45 now	24.6	24.9

KENT MUSIC
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

23. Pension commitments (continued)

The Company's share of the assets in the scheme was:

	At 31 August 2023 £	At 31 August 2022 £
Equities	1,432,000	1,528,000
Gilts	13,000	14,000
Other bonds	312,000	309,000
Property	227,000	275,000
Cash and other liquid assets	24,000	40,000
Absolute return fund	162,000	168,000
Infrastructure	85,000	-
Total fair value of assets	2,255,000	2,334,000

The actual return on scheme assets was £(17,000) (2022 - £(31,000)).

The amounts recognised in the Statement of financial activities are as follows:

	2023 £	2022 £
Interest cost	(8,000)	8,000
Administrative expenses	1,000	1,000
Total amount recognised in the Statement of financial activities	(7,000)	9,000

Movements in the present value of the defined benefit obligation were as follows:

	2023 £	2022 £
Opening defined benefit obligation	2,156,000	2,966,000
Interest on assets	90,000	47,000
Actuarial gains	(78,000)	(539,000)
Benefits paid	(87,000)	(135,000)
Unfunded pension payments	(4,000)	(5,000)
Non recognised pension surplus	(413,000)	(178,000)
Closing defined benefit obligation	1,664,000	2,156,000

KENT MUSIC
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

23. Pension commitments (continued)

Movements in the fair value of the Company's share of scheme assets were as follows:

	2023 £	2022 £
Opening fair value of scheme assets	2,342,000	2,490,000
Actuarial losses	(100,000)	(70,000)
Contributions by employer	15,000	16,000
Contributions by scheme participants	90,000	47,000
Benefits paid	(91,000)	(140,000)
Administrative expenses	(1,000)	(1,000)
Closing fair value of scheme assets	2,255,000	2,342,000

24. Operating lease commitments

At 31 August 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	10,584	14,501
Later than 1 year and not later than 5 years	26,327	-
	36,911	14,501

In the prior year, Kent Music entered into an agreement for the purchase of the virtual freehold (999-year lease) of two units located in Javelin Way, Ashford. The purchase is being made from Kent County Council at the agreed purchase price of £1,400,000. The funding of this purchase will be made via a loan of £1,400,000 from Ashford Borough Council. The loan period will be 40 years with the interest being fixed for the duration of the loan at 3.17%. No contract had been signed as at 31 August 2023, and therefore there is no accounting implication of this arrangement in the current year beyond a £1 peppercorn rent.

KENT MUSIC

England & Wales - Charity number 1110639

Accounts

Registered number: 05464855
Charity number: 1110639

KENT MUSIC
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

KENT MUSIC
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES (AT THE DATE OF
APPROVAL OF THE FINANCIAL STATEMENTS) AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees (at the date of approval of the financial statements)

Geoffrey Miles, Chair
Timothy Leates
Sarah Hohler (appointed by Kent County Council)
Francesca Christmas
Robin Hammerton
Elizabeth Topiwala
Lesley-Ann Smith
Kyle Siwek
Alicia Moyles
Jessica Cooling
Rebecca Evernden
Sarah Hamilton (appointed by Kent County Council)
Abdur-Rehman Ismael-Mia (appointed 25 March 2022)

Company registered number

05464855

Charity registered number

1110639

Registered office

Units 25 & 26, Creative Enterprise Quarter
Javelin Way
Ashford
Kent
TN24 8FN

Chief executive officer

Peter Bolton

Independent auditor

Crowe U.K. LLP
Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH

Patron

Jools Holland OBE

KENT MUSIC
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the audited financial statements of the Kent Music for the 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Structure, governance and management

Constitution

Kent Music is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The Charity is registered as a charitable company limited by guarantee, incorporated on 26 May 2005 and registered as a charity on 29 July 2005. The charity took over the assets and liabilities of Kent Music School on 1 September 2005. Kent Music School was registered as a charity on 20 November 1969.

The Charity was created under a memorandum of association which established the objects and powers of the charity and is governed under its articles of association.

Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the articles of association.

Kent Music is keen to ensure that its board of trustees includes a broad base of skills and representations. The method adopted for the recruitment and appointment of new trustees is that vacancies are advertised and applications are invited. Shortlisted candidates are interviewed by the chair and another trustee.

Trustees

The Trustees that served during the year are as follows:

Geoffrey Miles, Chair
Timothy Leates
Sarah Hohler (appointed by Kent County Council)
Francesca Christmas
Robin Hammerton
Elizabeth Topiwala
Lesley-Ann Smith
Kyle Siwek
Alicia Moyles
Jessica Cooling
Rebecca Evernden
Sarah Hamilton (appointed by Kent County Council)
Abdur-Rehman Ismael-Mia (appointed 25th March 2022)

KENT MUSIC
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

Chief Executive

Peter Bolton

Senior Leadership Team

Olivia Edwards (senior leader, music hub)

Trevor James (senior leader, tuition & ensembles)

Ruth Roberts (senior leader, operations)

Organisational structure and decision-making policies

The board of trustees of up to 14 members meets 4 times a year to administer the Charity. A chief executive is appointed by the trustees to manage the day to day operations of the charity. There is an executive committee of trustees, which also acts as the audit committee which meets to support the chief executive and leadership team on matters concerning the day-to-day running of the organisation.

Induction training for new trustees is provided and they are also offered the opportunity to attend other relevant training courses.

Policies and objectives

The purposes of the charity (the objects) shall be the promotion of the performing arts in all its forms and in particular music and for this purpose to provide education, tuition and activities for the benefit of the public generally, principally within the County of Kent and the Unitary Authority of Medway.

Mission Statement

Kent Music is a strategic music organisation for Kent, providing and facilitating music education, inspiration and support for learners, schools, teachers, musicians and audiences.

Values

- Anticipating, valuing and supporting diversity and difference.
- Maintaining high expectations for all learners and staff
- Understanding the needs of children and young people
- Reducing barriers to engagement
- Keeping creativity at the heart of our thinking

Kent Music is funded by Kent County Council to provide out of school music centres, county level ensembles and choirs and an annual summer school. The organisation is also funded by Arts Council England as the lead partner of the music education hub for Kent. In this role Kent Music works with partners to provide music education services to children aged 5 to 18.

The vision and values are lived through a business plan. In the business plan 2021–24 there are three core objectives:

1. To provide access to instrumental and vocal teaching across Kent.

KENT MUSIC
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

2. To provide access to a broad range of out-of-school music activities across Kent.
3. To create the conditions where music thrives in schools in Kent.

Pay policy for key management personnel

A new pay policy was agreed by trustees at the March Board meeting. The policy sets out how pay for all staff will be reviewed including key management personnel. When senior staff appointments are made, a benchmarking exercise is carried out to establish pay levels.

Financial risk management

The Trustees have assessed the major risks to which the Company is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

A new business plan has been designed and started in September 2021. The plan draws on the experience of the 2020/21 academic year to plot a path to recovery and into a period of growth. The focus of the plan is on four core aims: providing instrumental & vocal tuition to as many students as possible across the county; providing students access to a broad range of out-of-school music activities; creating the conditions where music thrives in Kent schools; and supporting and developing the workforce. These core aims will be supported by plans for inclusion, youth voice, partnership working, income generation, communication and digital technology.

KENT MUSIC
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and Performance

Policies and objectives

Charging and remissions policy

- The Trustees of Kent Music continually have regard to the Charity Commission's guidance on public benefit.
- Kent Music has a charging and remissions policy designed to remove as many barriers to music education as we can. The policy covers the following:
 - Kent Music's tuition fees aim to recover the hourly rate paid to the teacher, the cost of providing DBS checks, the cost of hiring teaching venues and a small contribution to the overheads of Kent Music.
 - We run a whole class instrumental teaching programme that provides every child in Kent the opportunity to have free instrumental teaching for one hour per week.
 - We receive subsidy from Kent County Council that enables us to provide a network of out of school music centres and county ensembles and choirs at a subsidised rate.
 - Other projects and programmes run by Kent Music are provided for a small charge or free. This includes professional development courses for teachers, large scale celebration events for schools, the Kent Music Roadshow and occasional short-term projects.
- A bursary scheme funded by part of the grant from Arts Council England and other ad hoc grants and legacies supports 75% of the cost of tuition fees for children & young people who fall into various categories for state benefits

Review of activities

During the year the number of students learning to play instruments gradually increased as we tried to return to pre-pandemic levels, starting the year at just over 400 students and ending the year at 850 students. This was short of the 1,100 students we were teaching before the pandemic, but an encouraging result given that some schools were still not open to external bookings at the start of the year.

Our Whole Class Ensemble Teaching programme, MusicPlus, also grew through the year starting with 104 projects at the start of the academic year and ending the year with 138 projects.

The number of schools buying us in for music activities increased through the year from 17 at the start of the year to 22 by the end of the year.

Only the Sevenoaks Music Centre opened at the start of the year but by Christmas all the centres were open once again though none gave public performances of the students' work during the year.

Kent County Youth Orchestra, Kent Youth Wind Orchestra and Kent Youth Choir ran a full set of courses during the year and we were delighted that they were all able to finish their courses with live performances.

KENT MUSIC
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and Performance (continued)

Review of activities (continued)

Kent Music Summer School took place in new facilities at Benenden School including a new purpose-built concert hall that we were the first organisation apart from the school to use. This gave students the opportunity to enjoy the experience of playing in a professional quality concert hall, many for the first time. Numbers increased again this year with 309 students attending summer school courses. In addition, we continued to provide an experience day for students from primary schools in Kent, giving children the opportunity to play music with children from other schools as well as witness rehearsals by students attending summer school courses. This attracted a further 90 students to the summer school.

Kent Music's roadshow, featuring three of our most experienced teachers, performed in schools throughout the county every Monday during term time, reaching approximately 10,000 children.

Music Education Hub

The music education hub continued to thrive during the year. In 2021/22, following three pilot projects, important changes to the way in which the hub funds music in schools were made with the introduction of a new programme of Funded Opportunities. Through this programme schools could seek financial support for MusicPlus, ensembles or bespoke support, for example to help develop the music curriculum for the school. As a result of this approach, over 30 schools have opted for bespoke support which will be provided during the 2022/23 academic year.

Also, during the year partnerships with the Bollywood Brass Band and the English Folk Dance & Song Society enabled children & young people at schools in Ashford and Gravesend to take part in creative projects designed to broaden their ensemble playing experience.

Organisational change

In March 2022 the charity entered into a period of consultation with staff on a proposal that would seek a considerable reduction in the costs of running the charity, including a restructuring of the staff team. A new structure was agreed by the end of the year to be implemented from September 2022.

Also during the year preparations to move Kent Music into a new purpose-built building in Ashford reached a conclusion. The new building is part of a creative enterprise quarter in Ashford with Kent Music and Jasmin Vardimon Company being the anchor organisations. The move brings all of Kent Music's staff, musical instruments, equipment and library under one roof for the first time and makes a considerable saving on annual venue costs. The move took place just after the financial year end.

Going concern

The accounts have been prepared on a going concern basis. The trustees have a reasonable expectation that the charity has adequate resources to continue in operation existence for the foreseeable future.

We are in discussion with Kent County Council to confirm their level of support for the coming year.

Arts Council England (ACE) have confirmed that funding to music hubs will remain at current levels until August 2024. In advance of August 2024 there will be a bidding process to run music education hubs when funding for an unspecified period beyond September 2024 will be confirmed.

Cash in bank at 31 August 2022 was £1,528,112. With the grant from ACE confirmed and tuition income stabilising we anticipate that there is more than enough cash to cover any eventuality.

KENT MUSIC
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

Reserves policy

The charity has a target level of free reserves of three months' worth of unrestricted expenses this is circa £165,000. We currently have general reserves of £1,569,188. For a detailed breakdown please see page 27. Free reserves are held for the following eventualities:

- To cover potential fluctuations in funding from grants while costs are adjusted.
- To allow Kent Music to explore opportunities in line with its charitable objectives.
- For unexpected costs relating to the relocation of offices.

In addition the following sums are held in reserve:

- An endowment fund of £333,694 resulting from a gift to the charity by Mrs D Baker
- Restricted funds of £1,163,392.

Risk Management

The charity maintains a risk register that sets out the major risks in the following categories: governance; music education hub; external risks; regulation & compliance; finance; and operations. The risk register is updated for each board meeting and the changes since the previous board meeting are brought to the attention of the trustees who discuss and agree any action that is required.

Guarantees

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2022 was 13 (2021:12). The trustees have no beneficial interest in the charitable company.

Information on Fund Raising activities

Kent Music complies with sector best practice. There were no complaints in relation to fundraising during the year and no professional fundraisers or commercial partners conducted fundraising as representatives of Kent Music. The trustees have been made aware of the Fundraising Regulator's 2019 Code of Fundraising Practice which is applied to all fundraising activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

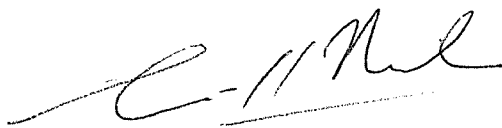
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Mr Geoff Miles, Chair

Date: 31/3/23

KENT MUSIC
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC

Opinion

We have audited the financial statements of Kent Music (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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 charitable company's affairs as at 31 August 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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.

KENT MUSIC
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.
- 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 our knowledge and understanding of the charitable company 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 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

KENT MUSIC
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management including considerations of known or suspected instances of non-compliance with laws and regulations and fraud.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combination.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

KENT MUSIC
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Weekes (senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: 6 April 2023

KENT MUSIC
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies	4	3,638	-	-	3,638	16,403
Charitable activities	5	1,031,609	2,189,806	-	3,221,415	2,956,288
Investments	6	1,436	-	-	1,436	2,531
Total income and endowments		1,036,683	2,189,806	-	3,226,489	2,975,222
Expenditure on:						
Charitable activities	7	860,074	2,342,237	-	3,202,311	2,900,710
Total expenditure		860,074	2,342,237	-	3,202,311	2,900,710
Net movement in funds before other recognised gains		176,609	(152,431)	-	24,178	74,512
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	24	469,000	-	-	469,000	258,000
Net movement in funds		645,609	(152,431)	-	493,178	332,512
Reconciliation of funds:						
Total funds brought forward		923,579	1,315,823	333,694	2,573,096	2,240,584
Net movement in funds		645,609	(152,431)	-	493,178	332,512
Total funds carried forward		1,569,188	1,163,392	333,694	3,066,274	2,573,096

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 17 to 35 form part of these financial statements.

KENT MUSIC
(A company limited by guarantee)
REGISTERED NUMBER: 05464855

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	86,288	117,808
		<u>86,288</u>	<u>117,808</u>
Current assets			
Stocks	12	-	1,003
Debtors	13	1,324,386	1,259,143
Investments	14	333,694	333,694
Cash at bank and in hand		1,528,112	1,539,997
		<u>3,186,192</u>	<u>3,133,837</u>
Creditors: amounts falling due within one year	15	(186,206)	(182,549)
Net current assets		<u>2,999,986</u>	<u>2,951,288</u>
Total assets less current liabilities		<u>3,086,274</u>	<u>3,069,096</u>
Provisions for liabilities		(20,000)	(20,000)
Net assets excluding pension asset / liability		<u>3,066,274</u>	<u>3,049,096</u>
Defined benefit pension scheme asset / liability	25	-	(476,000)
Total net assets		<u><u>3,066,274</u></u>	<u><u>2,573,096</u></u>
Charity funds			
Endowment funds	17	333,694	333,694
Restricted funds	17	1,163,392	1,315,823
Unrestricted funds			
Unrestricted funds excluding pension liability	17	1,569,188	1,399,579
Pension reserve	17	-	(476,000)
Total unrestricted funds	17	<u>1,569,188</u>	<u>923,579</u>
Total funds		<u><u>3,066,274</u></u>	<u><u>2,573,096</u></u>

KENT MUSIC
(A company limited by guarantee)
REGISTERED NUMBER: 05464855

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

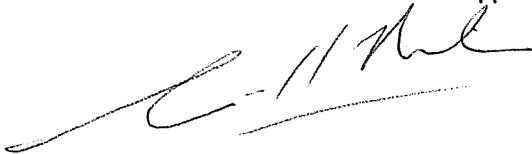
The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

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



Mr Geoff Miles (Chair)



Mr Timothy Leates

Date: 31/3/23

The notes on pages 17 to 35 form part of these financial statements.

KENT MUSIC
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net cash used in operating activities	(7,867)	27,021
Cash flows from investing activities		
Dividends, interests and rents from investments	1,469	4,539
Purchase of tangible fixed assets	(5,487)	(25,551)
Net cash used in investing activities	(4,018)	(21,012)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(11,885)	6,009
Cash and cash equivalents at the beginning of the year	1,539,997	1,533,988
Cash and cash equivalents at the end of the year	1,528,112	1,539,997

The notes on pages 17 to 35 form part of these financial statements

KENT MUSIC
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Charity information

The principal activity of the entity during the year was the provision of music education.

The charity is a charitable company limited by guarantee which is incorporated and registered in England and Wales (05464855).

The address of the Registered office is:

Units 25 & 26,
Creative Enterprise Quarter,
Javelin Way,
Ashford,
TN24 8FN

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Kent Music 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.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Going concern

The accounts have been prepared on a going concern basis. The trustees have a reasonable expectation that the charity has adequate resources to continue in operation existence for the foreseeable future.

We are in discussion with Kent County Council to confirm their level of support for the coming year.

Arts Council England (ACE) have confirmed that funding to music hubs will remain at current levels until August 2024. In advance of August 2024 there will be a bidding process to run music education hubs when funding for an unspecified period beyond September 2024 will be confirmed.

Cash in bank at 31 August 2022 was £1,528,112. With the grant from ACE confirmed and tuition income stabilising we anticipate that there is more than enough cash to cover any eventuality.

KENT MUSIC
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Teaching income is recognised in the period in which it is receivable and to the extent the lessons have been provided or on completion of the service.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

KENT MUSIC
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £200 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Long Term Leasehold Property	- Over the term of the lease
Fixtures, fittings and equipment	- 12-50% reducing Balance
Instruments	- 4-33% straight line

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overhead costs.

2.8 Debtors

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

2.9 Cash at bank and in hand

Cash at bank and 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.

2.10 Liabilities

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

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

KENT MUSIC
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.11 Financial instruments

The Company 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 measured at amortised cost using the effective interest method.

2.12 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

2.13 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The charity previously operated a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2019 and updated to the 31st August 2022.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

KENT MUSIC
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1) The present value of the Local Government Pension Scheme defined benefit fund depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension fund.

Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions fund at 31 August 2022.

Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension fund.

The liability has also been calculated using mortality rates used by the UK government

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	3,638	-	3,638	16,403
<i>Total 2021</i>	1,394	15,009	16,403	

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Tuition fees	754,992	-	754,992	427,683
Kent County Council	204,000	-	204,000	204,000
Instruments hire fees	61,118	-	61,118	38,710
Concert fees and admission charges	2,566	-	2,566	-
Other income	755	-	755	129
Grants	-	2,189,806	2,189,806	2,144,653
Coronavirus job retention scheme	8,178	-	8,178	141,113
	<u>1,031,609</u>	<u>2,189,806</u>	<u>3,221,415</u>	<u>2,956,288</u>
<i>Total 2021</i>	<u>811,635</u>	<u>2,144,653</u>	<u>2,956,288</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	<u>1,436</u>	<u>1,436</u>	<u>2,531</u>

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Analysis of expenditure by Fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	9,000	-	9,000	13,000
Staff costs	243,069	1,635,477	1,878,546	1,779,077
Travel costs	33,774	-	33,774	22,921
Instrument costs	-	46,877	46,877	24,277
Staff training and recruitment	-	25,089	25,089	20,459
Operating lease rentals	104,960	-	104,960	128,535
Accommodation, computer and office costs	244,688	-	244,688	215,675
Other expenses	84,114	-	84,114	44,408
Other teaching and administrative costs	42,036	-	42,036	28,718
Bursaries	-	150,168	150,168	79,625
(Profit)/Loss on disposal of fixed assets	(206)	-	(206)	(125)
Trustees' Indemnity Insurance	896	-	896	821
Professional fees	53,530	-	53,530	51,787
School funding	-	484,626	484,626	422,328
Projects and workshop expenditure	-	-	-	571
Life insurance	7,210	-	7,210	6,510
Depreciation and amortisation	37,003	-	37,003	62,123
	<u>860,074</u>	<u>2,342,237</u>	<u>3,202,311</u>	<u>2,900,710</u>
<i>Total 2021</i>	<u>688,657</u>	<u>2,212,053</u>	<u>2,900,710</u>	

8. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	15,000	12,500
Fees payable to the Company's auditor in respect of: Preparation of the financial statements	<u>3,800</u>	<u>3,100</u>

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Staff costs

	2022	2021
	£	£
Wages and salaries	1,707,124	1,625,080
Social security costs	126,840	117,654
Contribution to defined contribution pension schemes	44,582	36,343
	1,878,546	1,779,077

The average number of persons employed by the Company during the year was as follows:

	2022	2021
	No.	No.
Teachers	108	104
Administration	43	39
	151	143

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
	No.	No.
In the band £90,001 - £100,000	-	-
In the band £100,001 - £110,000	1	1

The senior management team comprised the Chief Executive, the Chief Operating Officer, Senior Manager Finance, Senior Manager Education and Head of Partnerships. The total remuneration of key management personnel in the year was £248,266 (2021 - £247,301).

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Trustees' remuneration and expenses

During the year ended 31 August 2022, no Trustees received any remuneration or other benefits (2021 - £Nil).

During the year ended 31 August 2022, expenses totalling £NIL were reimbursed or paid directly to Trustee (2021 - £295 to 1 Trustee). These costs were in respect of CPD training and pilot work.

11. Tangible fixed assets

	Long-term leasehold property £	Fixtures, fittings and equipment £	Instruments £	Total £
Cost or valuation				
At 1 September 2021	75,919	155,908	672,530	904,357
Additions	-	1,187	4,300	5,487
Disposals	-	(3,696)	-	(3,696)
At 31 August 2022	75,919	153,399	676,830	906,148
Depreciation				
At 1 September 2021	72,132	109,285	605,132	786,549
Charge for the year	3,787	14,902	18,314	37,003
On disposals	-	(3,692)	-	(3,692)
At 31 August 2022	75,919	120,495	623,446	819,860
Net book value				
At 31 August 2022	-	32,904	53,384	86,288
At 31 August 2021	3,787	46,623	67,398	117,808

12. Stocks

	2022 £	2021 £
Raw materials and consumables	-	1,003

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

13. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	127,291	15,380
Other debtors	2,863	2,563
Prepayments and accrued income	1,194,232	1,241,200
	<u>1,324,386</u>	<u>1,259,143</u>

14. Current asset investments

	2022 £	2021 £
Unlisted investments	<u>333,694</u>	<u>333,694</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	4,808	34,379
Other taxation and social security	36,128	46,780
Other creditors	23,768	20,394
Accruals and deferred income	121,502	80,996
	<u>186,206</u>	<u>182,549</u>

16. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>1,861,806</u>	<u>1,873,691</u>

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

17. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds					
Designated funds					
Fixed asset fund	117,808	-	(31,520)	-	86,288
General funds					
General Funds - all funds	1,281,771	1,036,683	(828,554)	(7,000)	1,482,900
Pension reserve	(476,000)	-	-	476,000	-
	805,771	1,036,683	(828,554)	469,000	1,482,900
Total Unrestricted funds	923,579	1,036,683	(860,074)	469,000	1,569,188
Endowment funds					
Endowment Funds - all funds	333,694	-	-	-	333,694
Restricted funds					
KYWO instrument fund	11,865	-	-	-	11,865
Bursary fund	37,091	-	-	-	37,091
Kent Youth Choirs (KYC)	3,078	-	-	-	3,078
Youth Music - Fund C	366	11,178	(9,000)	-	2,544
Youth Music	8,180	-	-	-	8,180
Arts Council England	1,244,464	2,178,628	(2,333,237)	-	1,089,855
D A Baker Endowment	10,779	-	-	-	10,779
	1,315,823	2,189,806	(2,342,237)	-	1,163,392
Total of funds	2,573,096	3,226,489	(3,202,311)	469,000	3,066,274

KENT MUSIC
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds					
Designated funds					
Fixed asset fund	154,380	-	(36,572)	-	117,808
General funds					
General Funds - all funds	1,123,296	815,560	(657,085)	-	1,281,771
Pension reserve	(739,000)	-	5,000	258,000	(476,000)
	384,296	815,560	(652,085)	258,000	805,771
Total Unrestricted funds	538,676	815,560	(688,657)	258,000	923,579
Endowment Funds - all funds	333,694	-	-	-	333,694
Restricted funds					
KYWO instrument fund	11,865	-	-	-	11,865
Bursary fund	37,091	-	-	-	37,091
Kent Youth Choirs (KYC)	3,078	-	-	-	3,078
Youth Music - Fund C	1,066	1,350	(2,050)	-	366
Youth Music	-	9,000	(820)	-	8,180
Arts Council England	1,308,994	2,144,653	(2,209,183)	-	1,244,464
D A Baker Endowment	6,120	4,659	-	-	10,779
	1,368,214	2,159,662	(2,212,053)	-	1,315,823
Total of funds	2,240,584	2,975,222	(2,900,710)	258,000	2,573,096

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

Purpose of restricted funds

- (i) The Kent Youth Wind Orchestra (KYWO) instrument fund relates to funds received for the benefit of the Kent Youth Wind Orchestras.
- (ii) The Bursary fund relates to income received specifically to assist students with payments of tuition fees.
- (iii) The Kent Youth Choirs (KYC) donation fund is monies received on the closure of Medway Opera and relates to the unspent balance of monies received.
- (iv) Youth Music fund relates to funds received for the benefit of the Youth Music Group and Youth Music Group C.
- (vi) The Arts Council England fund relates to funding for the delivery of Music Education Hubs.
- (viii) D A Baker endowment fund relates to the income and expenditure utilised from the endowment fund for tuition for children in the West Kent area.

As at 31 August 2022 there is a balance of £1,089,855 because in accordance with the Charity's accounting policy, Grant income confirmed as at 1 April for the 12 month period is recognised in full at that date. Costs are considered to be incurred evenly over the term of the grant being 1 April to 31 March. The outstanding balance includes 7 months of income which will be used from September to March in line with the grant term.

Purpose of designated funds

- (i) The Fixed asset fund represents the value of funds invested in fixed assets which are not, by the nature of fixed assets, readily available for other purposes.

Pension reserve

The pension reserve included within the unrestricted reserves represents any defined benefit liability. In the current year there is no liability on the fund (2021 - £476,000).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. Summary of funds

Summary of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Designated funds	117,808	-	(31,520)	-	86,288
General funds	805,771	1,036,683	(828,554)	469,000	1,482,900
Endowment funds	333,694	-	-	-	333,694
Restricted funds	1,315,823	2,189,806	(2,342,237)	-	1,163,392
	<u>2,573,096</u>	<u>3,226,489</u>	<u>(3,202,311)</u>	<u>469,000</u>	<u>3,066,274</u>

Summary of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
Designated funds	154,380	-	(36,572)	-	117,808
General funds	384,296	815,560	(652,085)	258,000	805,771
Endowment funds	333,694	-	-	-	333,694
Restricted funds	1,368,214	2,159,662	(2,212,053)	-	1,315,823
	<u>2,240,584</u>	<u>2,975,222</u>	<u>(2,900,710)</u>	<u>258,000</u>	<u>2,573,096</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	86,288	-	-	86,288
Current assets	1,689,106	1,163,392	333,694	3,186,192
Creditors due within one year	(186,206)	-	-	(186,206)
Provisions for liabilities and charges	(20,000)	-	-	(20,000)
Total	<u>1,569,188</u>	<u>1,163,392</u>	<u>333,694</u>	<u>3,066,274</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Endowment funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	117,808	-	-	117,808
Current assets	1,484,320	1,315,823	333,694	3,133,837
Creditors due within one year	(182,549)	-	-	(182,549)
Provisions for liabilities and charges	(496,000)	-	-	(496,000)
Total	923,579	1,315,823	333,694	2,573,096

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	24,178	74,512
Adjustments for:		
Depreciation charges	37,003	62,123
Dividends, interests and rents from investments	(8,263)	(4,539)
Profit on the sale of fixed assets	(206)	(125)
Decrease in stocks	1,003	1,841
Increase in debtors	(65,243)	(129,846)
Increase in creditors	3,661	23,055
Net cash provided by/(used in) operating activities	(7,867)	27,021

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	1,528,112	1,539,997
Total cash and cash equivalents	1,528,112	1,539,997

KENT MUSIC
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

22. Analysis of changes in net debt

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash at bank and in hand	1,539,997	(11,885)	1,528,112
Liquid investments	333,694	-	333,694
	<u>1,873,691</u>	<u>(11,885)</u>	<u>1,861,806</u>

23. Provisions

	Dilapidation provision £
At 1 September 2021	20,000
	<u>20,000</u>

24. Actuarial gains on defined benefit pension schemes

	Pension reserve 2022 £	Projected pension expense 2022 £	Total funds 2022 £	Total funds 2021 £
Net pension asset in the statement of financial position				
Present value of the defined benefit obligation	2,156,000	-	2,156,000	2,966,000
Fair value of Fund assets	(2,334,000)	-	(2,334,000)	(2,490,000)
Non recognised pension surplus	178,000	-	178,000	-
Total 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>476,000</u>
<i>Actuarial gains on defined benefit pension schemes</i>	<u>469,000</u>	<u>7,000</u>	<u>476,000</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

25. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £44,582 (2021 - £36,343) were payable to the fund at the balance sheet date and are included in creditors

The Charity also operates a defined benefit pension scheme which is closed to new members.

The pension charge is based on a full actuarial valuation dated 31 March 2019 and updated to the 31st August 2022.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	At 31 August 2022	<i>At 31 August 2021</i>
	%	%
Discount rate	4.25	1.60
Future salary increases	4.25	3.90
Future pension increases	3.20	2.90
RPI increases	3.70	3.40
CPI increases	3.20	2.90
	At 31 August 2022	<i>At 31 August 2021</i>
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	21.0	21.9
- at 65 for a male aged 45 now	22.3	23.3
- for a female aged 65 now	23.5	23.8
- at 65 for a female aged 45 now	24.9	25.3

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

25. Pension commitments (continued)

The Company's share of the assets in the scheme was:

	At 31 August 2022 £	At 31 August 2021 £
Equities	1,528,000	1,630,000
Gilts	14,000	14,000
Other bonds	309,000	346,000
Property	275,000	256,000
Cash and other liquid assets	40,000	71,000
Absolute return fund	168,000	173,000
Total fair value of assets	2,334,000	2,490,000

The actual return on scheme assets was £318,930 (2021 - £323,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	2021 £
Interest cost	8,000	11,000
Administrative expenses	1,000	2,000
Total amount recognised in the Statement of financial activities	9,000	13,000

Movements in the present value of the defined benefit obligation were as follows:

	2022 £	2021 £
Opening defined benefit obligation	2,966,000	3,043,000
Interest on assets	39,000	32,000
Actuarial (gains)/losses	(539,000)	33,000
Benefits paid	(127,000)	(137,000)
Unfunded pension payments	(5,000)	(5,000)
Non recognised pension surplus	(178,000)	-
Closing defined benefit obligation	2,156,000	2,966,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

25. Pension commitments (continued)

Movements in the fair value of the Company's share of scheme assets were as follows:

	2022 £	2021 £
Opening fair value of scheme assets	2,490,000	2,304,000
Actuarial (losses)/gains	(70,000)	291,000
Contributions by employer	16,000	18,000
Contributions by scheme participants	39,000	32,000
Benefits paid	(140,000)	(153,000)
Administrative expenses	(1,000)	(2,000)
Closing fair value of scheme assets	2,334,000	2,490,000

26. Operating lease commitments

At 31 August 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	14,501	152,184
Later than 1 year and not later than 5 years	-	13,712
	14,501	165,896

In the current year Kent Music entered into an agreement for the purchase of the virtual freehold (999-year lease) of two units located in Javelin Way, Ashford. The purchase is being made from Kent County Council at the agreed purchase price of £1,400,000. The funding of this purchase will be made via a loan of £1,400,000 from Ashford Borough Council. The loan period will be 40 years with the interest being fixed for the duration of the loan at 3.17%. No contract had been signed as at 31 August 2022 and therefore there is no accounting implication of this arrangement in the current year beyond a £1 peppercorn rent.

KENT MUSIC

England & Wales - Charity number 1110639

Accounts

KENT MUSIC
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

KENT MUSIC
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KENT MUSIC
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees (at the date of approval of the financial statements)

Geoff Miles, Chair
Tim Leates
Sarah Hohler (appointed by Kent County Council)
Francesca Christmas
James Williams
Paul Danielsen
Robin Hammerton
Elizabeth Topiwala
Geoffrey Lymer (appointed by Kent County Council)
Lesley-Ann Thomson (appointed 27 September 2019)
Kyle Siwek (appointed 27 September 2019)
Alicia Moyles (appointed 27 September 2019)
Jessica Cooling (appointed 27 September 2019)
Rebecca Evernden (appointed 27 September 2019)

Company registered number

05464855

Charity registered number

1110639

Registered office

24 Turkey Court, Turkey Mill
Ashford Road
Maidstone
Kent
ME14 5PP

Chief executive officer

Peter Bolton

Chief operating officer

Sally Law (appointed 1 Dec 2020)

Senior management team

Samantha Rogerson, Senior Finance Manager
Trevor James, Senior Manager (Tuition & Centres)

Independent auditor

Crowe U.K. LLP
Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH

Patron

Jools Holland OBE

KENT MUSIC
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the audited financial statements of the company for the year 1 September 2019 to 31 August 2020. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charity is registered as a charitable company limited by guarantee, incorporated on 26 May 2005 and registered as a charity on 29 July 2005. The charity took over the assets and liabilities of Kent Music School on 1 September 2005. Kent Music School was registered as a charity on 20 November 1969.

The Charity was created under a memorandum of association which established the objects and powers of the charity and is governed under its articles of association.

Method of appointment or election of trustees

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the articles of association.

Kent Music is keen to ensure that its board of trustees includes a broad base of skills and representations. The method adopted for the recruitment and appointment of new trustees is that vacancies are advertised and applications are invited. Shortlisted candidates are interviewed by the chair and another trustee.

Trustees

The Trustees that served during the year are as follows:

Geoff Miles, Chair
Tim Leates
Sarah Hohler (appointed by Kent County Council)
Francesca Christmas
James Williams
Paul Danielsen
Robin Hammerton
Elizabeth Topiwala
Geoffrey Lymer (appointed by Kent County Council)
Lesley-Anne Thompson (appointed 27th September 2019)
Kyle Siwek (appointed 27th September 2019)
Alicia Moyles (appointed 27th September 2019)
Jessica Cooling (appointed 27th September 2019)
Rebecca Evernden (appointed 27th September 2019)

KENT MUSIC
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure and decision making

The board of trustees of up to 14 members meets 4 times a year to administer the Charity. A chief executive is appointed by the trustees to manage the day to day operations of the charity. There is an executive committee of trustees, which also acts as the audit committee which meets to support the chief executive and leadership team on matters concerning the day-to-day running of the organisation.

Induction training for new trustees is provided and they are also offered the opportunity to attend other relevant training courses.

RISK MANAGEMENT

The trustees continue to assess and monitor the risks facing the charity. In March 2020 a new risk register was presented to the Board along with a monitoring system which ensures that the risk register is updated and presented at each Board meeting.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The purposes of the charity (the objects) shall be the promotion of the performing arts in all its forms and in particular music and for this purpose to provide education, tuition and activities for the benefit of the public generally, principally within the County of Kent and the Unitary Authority of Medway.

Mission Statement

Kent Music is an education charity that develops musical opportunities to support the aspirations of children, young people, adults and teachers in Kent.

Values

- Anticipating, valuing and supporting diversity and difference.
- Maintaining high expectations for all learners and staff
- Understanding the needs of children and young people
- Reducing barriers to engagement
- Keeping creativity at the heart of our thinking

Kent Music is funded by Kent County Council to provide out of school music centres, county level ensembles and choirs and an annual summer school. The organisation is also funded by Arts Council England as the lead partner of the music education hub for Kent. In this role Kent Music works with partners to provide music education services to children aged 5 to 18.

KENT MUSIC
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

The vision and values are lived through a business plan. In the business plan for 2018-20 there are eight core priorities:

1. Build tuition through a team of salaried music teachers.
2. Systematically build the out-of-school offer
3. Provide more opportunities for children with SEN/D and from disadvantaged backgrounds
4. Develop a coherent offer to schools
5. Introduce and implement a new Singing Strategy
6. Deliver sector leading continuing professional development and quality assurance
7. Provide opportunities for children and young people to hear high quality performers
8. Develop a long term, sustainable business model

ACHIEVEMENTS AND PERFORMANCE

Review of activities

2019/20 was an unusual year for Kent Music because in March, part way through the year, the country was hit by the Covid-19 pandemic. This caused considerable disruption to the services that the charity was able to provide.

In the first part of the year, from September to December, the charity continued to deliver its service as normal, maintaining the number of students at 2018/19 levels and running music centres and music labs throughout the county. During the autumn, the Kent junior county choirs moved their rehearsal venue to the Medway Towns Music Centre at Fort Pitt School in Chatham. The Kent Youth Wind Orchestra met through a series of non-residential rehearsal days culminating in a well-attended concert in December at the Collyer Fergusson Hall in Canterbury shared with the county junior and senior choirs. Kent County Youth Orchestra met for a residential course during the Christmas holidays and performed a concert at Mote Hall in Maidstone on 31 December.

Number of instrumental and vocal lessons taught	February 2020	February 2021
Number of "directly registered" instrument and vocal students*	1,100	520
Number of "agency" students*	700	-
Number of MusicPlus projects delivered by Kent Music***	112	-

*Directly registered tuition is tuition where parents or carers are the customers

**Agency projects are where schools are the customers

***MusicPlus is a Kent Music programme to deliver whole class instrumental lessons to children in primary schools.

In March 2020 the charity closed its offices in Maidstone and Aylesham and staff were asked to work from home. This was a big change for the organisation but thanks to the flexibility of all members of the team, homeworking has generally worked well. The trustees moved their Board meetings to online meetings and apart from delaying one meeting at the start of the pandemic, have met as usual during this period.

KENT MUSIC
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Throughout the pandemic Kent Music's major funders Arts Council England and Kent County Council, have been very supportive and relaxed funding conditions which enabled the charity to allocate funds more flexibly. This flexibility used in conjunction with the government's Coronavirus Job Retention Scheme enabled Kent Music to maintain its staffing levels which the trustees considered to be crucial to the charity's ability to recover once government restrictions were eased.

At the start of the pandemic the trustees approved a short-term recovery plan which, broadly speaking, aimed to bring student numbers back up to pre-pandemic levels by the end of the 2020/21 academic year. The plan also included the provision of an online professional development programme for instrumental and classroom teachers and the development of resources through a new virtual learning environment introduced during the pandemic.

As part of the plan, online lessons were introduced for one-to-one lessons and some ensemble, choir and music lab courses were delivered online. In total 122 people took part in online ensembles and choirs during the autumn of 2020. The charity has not run any face-to-face music centres, music labs, county ensembles, choirs or the annual summer school since the start of the pandemic. Online professional development courses have been well-attended as have school network meetings that have been held for classroom teachers in most of the districts in Kent. During the summer of 2020 the charity ran an online music festival which featured performances, interviews, discussions and masterclasses.

"Day & Night" Festival – an online festival run by Kent Music in July and August 2020	
Number of unique videos	55
Number of participants in the festival finale	79
Number of unique views on YouTube	414
Number of unique views on Facebook	1,799
Number of minutes viewed on the Kent Music website	27,100
Percentage increase in Kent Music website sessions	33

Embracing online learning has enabled approximately 45% of the lessons that were organised directly with parents to be taught. Teaching bought directly by schools has been suspended. As schools re-opened, face-to-face teaching took place in approximately 50% of the schools the charity had been teaching in before the pandemic, but this was short-lived because of new restrictions introduced in December 2020 and January 2021.

Reaching the goal of bringing back student numbers to pre-pandemic levels by the end of the 2020/21 academic year is looking unlikely because of restrictions introduced in January 2021 and thus the timescale for the recovery plan is likely to be longer than originally envisaged.

During the year, a restructure of the charity's senior management was undertaken. The purpose of the restructure was to increase operational capacity so that more time can be devoted to compliance with key areas of regulation and legislation and to release the chief executive to focus on the long-term direction of Kent Music. Consultation was carried out with affected staff during the summer months and the new structure was introduced in September 2020.

KENT MUSIC
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

During the preparation of these accounts the COVID-19 crisis is still prevalent and continues to impact the delivery of service where Schools have been closed. The one-year recovery plan that was submitted to the Board has been implemented and is being monitored closely. It is currently estimated that the level of support from reserves that had originally been predicted should not be necessary.

KCC will continue to support the charity with a grant at the same level as the previous year of £204,000, which will cover to period to 31st March 2022.

Arts Council England (ACE) have confirmed funding at similar levels to the previous year of £2,151,970. This funding will also cover the period to 31st March 2022. Kent Music took advantage of flexibility offered in the current year to use grant income in certain instances to cover overheads given the unprecedented circumstances.

These two grants account for 83% of overall current income.

Cash at bank as at 31st August 2020 was £1,533,988. With grants in place the only unpredictable income risk relates to the level of recovery of tuition. Utilising the Furlough scheme has covered any downturn in our tuition income by covering the cost of unfulfilled hours.

FINANCIAL REVIEW

Reserves policy

In recent years the Board has been able to build up a reserve of £2,240,584 which includes an endowment fund of £333,694 and restricted funds of £1,368,214. Also included in the overall reserves figure is a Pensions reserve liability of £739,000.

Below is a breakdown of the current level of reserves and the free reserves available to the charity:

	August 2020	August 2019
	£	£
Total reserves	2,240,584.00	2,378,375.00
Less: restricted reserves	-1,368,214.00	-1,534,112.00
Less: endowment funds	-333,694.00	-333,694.00
Less: designated instruments	-154,380.00	-169,046.00
Free reserves	384,296.00	341,523.00

The target level of free reserves is 3 months worth of unrestricted expenditure, which would accommodate for any unforeseen changes in income streams. Currently the level of free reserves represents 6.4 months (2019 - 4.6 months) of unrestricted expenditure so the target has been achieved in the current financial year.

KENT MUSIC
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

PLANS FOR THE FUTURE

A new business plan is in development to start in September 2021. The plan will draw on the experience of the 2020/21 academic year to plot a path to recovery and into a period of growth. The focus of the plan will be on four core aims: providing instrumental & vocal tuition to as many students as possible across the county; providing students access to a broad range of out-of-school music activities; creating the conditions where music thrives in Kent schools; supporting and developing the workforce. These core aims will be supported by plans for inclusion, youth voice, partnership working, income generation, communication and digital technology.

PAY POLICY FOR SENIOR STAFF

The board of Trustees review the pay and benefits for all staff once per year.

The pay for senior staff is based on industry benchmarks.

GUARANTEES

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2020 was 12 (2019:12). The trustees have no beneficial interest in the charitable company.

INFORMATION ON FUNDRAISING ACTIVITIES

Kent Music complies with sector best practice. No complaints were received with regards to fundraising throughout the course of the year and no professional fundraisers or commercial partners conducted fundraising as charity representatives. The board of trustees monitors and manages its fundraising regulation and compliance which are discussed at board meetings.

KENT MUSIC
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Kent Music for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by the Trustees, on 26.03.21 and signed on their behalf by:



Mr Geoff Miles, Chair

KENT MUSIC
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC

Opinion

We have audited the financial statements of Kent Music (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company's affairs as at 31 August 2020 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 Charities Act 2011.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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 we do not express any form of assurance conclusion thereon.

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

KENT MUSIC
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditor's report and for

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC

no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Weekes (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH
Date: 12 May 2021

Crowe U.K. LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

KENT MUSIC
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies	2	259	1,214	-	1,473	8,397
Charitable activities	4	746,721	2,138,658	-	2,885,379	1,079,927
Investments	3	635	4,496	-	5,131	4,719
Total income and endowments		747,615	2,144,368	-	2,891,983	1,093,043
Expenditure on:						
Charitable activities	5	666,508	2,310,266	-	2,976,774	3,270,185
Total expenditure		666,508	2,310,266	-	2,976,774	3,270,185
Net income / (expenditure) before other recognised gains and losses						
		81,107	(165,898)	-	(84,791)	(2,177,142)
Actuarial losses on defined benefit pension schemes	21	(53,000)	-	-	(53,000)	(130,000)
Net movement in funds		28,107	(165,898)	-	(137,791)	(2,307,142)
Reconciliation of funds:						
Total funds brought forward		510,569	1,534,112	333,694	2,378,375	4,685,517
Total funds carried forward		538,676	1,368,214	333,694	2,240,584	2,378,375

The notes on pages 16 to 34 form part of these financial statements.

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REGISTERED NUMBER: 05464855

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Intangible assets	10		-		16
Tangible assets	11		154,380		169,030
			154,380		169,046
Current assets					
Stocks	12	2,964		13,581	
Debtors	13	1,129,297		1,333,984	
Investments	14	333,694		333,694	
Cash at bank and in hand		1,533,988		1,609,617	
			2,999,943	3,290,876	
Creditors: amounts falling due within one year	15	(174,739)		(395,547)	
Net current assets			2,825,204		2,895,329
Total assets less current liabilities			2,979,584		3,064,375
Defined benefit pension scheme liability	21		(739,000)		(686,000)
Net assets including pension scheme liabilities			2,240,584		2,378,375
Charity Funds					
Endowment funds	17		333,694		333,694
Restricted funds	17		1,368,214		1,534,112
Unrestricted funds:					
Unrestricted funds excluding pension liability			1,277,676	1,196,569	
Pension reserve			(739,000)	(686,000)	
Total unrestricted funds			538,676		510,569
Total funds			2,240,584		2,378,375

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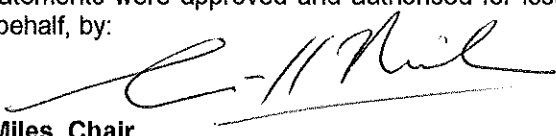
BALANCE SHEET (continued)
AS AT 31 AUGUST 2020

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 26.03.21 and signed on their behalf, by:


Mr Geoff Miles, Chair

The notes on pages 16 to 34 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(52,915)	71,418
Cash flows from investing activities:			
Dividends, interest and rents from investments		5,130	4,719
Purchase of tangible fixed assets		(27,844)	(68,932)
Net cash used in investing activities		(22,714)	(64,213)
Change in cash and cash equivalents in the year		(75,629)	7,205
Cash and cash equivalents brought forward		1,609,617	1,602,412
Cash and cash equivalents carried forward	20	1,533,988	1,609,617

The notes on pages 16 to 34 form part of these financial statements.

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies

1.1 Charity information

The principal activity of the entity during the year was the provision of music education.

The charity is a charitable company limited by guarantee which is incorporated and registered in England and Wales (05464855).

The address of the Registered office is:

24 Turkey Court
Turkey Mill
Ashford Road
Maidstone
Kent
ME14 5PP

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The accounts have been prepared on a going concern basis. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

During the preparation of these accounts the COVID-19 crisis is still prevalent and continues to impact the delivery of service where Schools have been closed. The one-year recovery plan that was submitted to the Board has been implemented and is being monitored closely. It is currently estimated that the level of support from reserves that had originally been predicted should not be necessary.

KCC will continue to support the charity with a grant at the same level as the previous year of £204,000, which will cover to period to 31st March 2022.

Arts Council England (ACE) have confirmed funding at the same level as the previous year of £2,151,970. This funding will also cover the period to 31st March 2022. Kent Music took advantage of flexibility offered in the current year to use grant income in certain instances to cover overheads given the unprecedented circumstances.

These two grants account for 83% of overall current income.

Cash at bank as at 31st August 2020 was £1,533,988. With grants in place the only unpredictable income risk relates to the level of recovery of tuition. Utilising the Furlough scheme has covered any downturn in our tuition income by covering the cost of unfulfilled hours.

Kent Music 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

1.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.7 Intangible fixed assets and amortisation

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer software	-	25% straight line
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1.8 Tangible fixed assets and depreciation

All assets costing more than £700 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Property	-	Over the term of the 10 year lease
Fixtures & fittings	-	12-50% reducing Balance
Instruments	-	4-33% straight line

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Interest receivable

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

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

1.12 Debtors

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

1.13 Cash at Bank and in hand

Cash at bank and 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.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The company 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 measured at amortised cost using the effective interest method.

1.16 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The charity previously operated a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2016 and updated to the 31st August 2020.

KENT MUSIC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

1.17 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1.) The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability.

Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020.

Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The liability has also been calculated using mortality rates used by the UK government.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	259	1,214	-	1,473	8,397
<i>Total 2019</i>	3,272	5,125	-	8,397	

3. Investment income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	635	4,496	-	5,131	4,719
<i>Total 2019</i>	-	4,719	-	4,719	

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Tuition fees	471,226	-	-	471,226	764,672
Kent County Council	204,000	-	-	204,000	219,225
Instruments hire fees	46,059	-	-	46,059	45,189
Concert fees and admission charges	3,743	-	-	3,743	14,917
Other income	1,826	-	-	1,826	4,315
Grants	-	2,138,658	-	2,138,658	31,609
Coronavirus job retention scheme	19,867	-	-	19,867	-
	746,721	2,138,658	-	2,885,379	1,079,927
<i>Total 2019</i>	1,048,318	31,609	-	1,079,927	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Direct costs

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Pension income	12,000	-	12,000	13,000
Travel costs	37,577	477	38,054	62,436
Instrument costs	8,656	39,174	47,830	55,579
Staff training and recruitment	4,657	22,794	27,451	37,331
Operating lease rentals	129,811	-	129,811	130,935
Accommodation, computer and office costs	57,098	193,226	250,324	310,556
Other expenses	35,876	72	35,948	31,066
Other teaching and administrative costs	36,572	3,333	39,905	54,541
Bursaries	-	72,917	72,917	95,305
(Profit)/Loss on disposal of fixed assets	272	-	272	(6,141)
Trustees' Indemnity Insurance	827	-	827	679
Professional fees	28,119	67,219	95,338	69,662
School funding	-	423,194	423,194	569,442
Projects and workshop expenditure	380	-	380	1,947
Life insurance	5,366	-	5,366	8,991
Wages and salaries	188,034	1,444,120	1,632,154	1,639,961
National insurance	75,919	33,625	109,544	108,753
Pension cost	3,105	10,115	13,220	27,259
Depreciation and amortisation	42,239	-	42,239	58,883
	<u>666,508</u>	<u>2,310,266</u>	<u>2,976,774</u>	<u>3,270,185</u>
<i>Total 2019</i>	<u>933,897</u>	<u>2,336,288</u>	<u>3,270,185</u>	

6. Net income/(expenditure)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets:		
- owned by the charity	42,223	47,891
Amortisation of intangible fixed assets	16	10,992
(Profit)/Loss on disposal of fixed asset	272	(6,141)
	<u>42,501</u>	<u>52,742</u>

During the year, no trustees received any remuneration (2019 - £NIL)

During the year, no Trustees received any benefits in kind (2019 - £NIL).

During the year, Robin Hammerton received payments totalling £350.00 relating to C.P.D. (2019 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £10,250 (2019 - £10,000), and accounts preparation of £2,500(2019 - £2,500).

8. Staff costs

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	1,632,154	1,639,961
Social security costs	109,544	108,753
Other pension costs (Note 21)	13,220	27,259
	<u>1,754,918</u>	<u>1,775,973</u>

The average number of persons employed by the company during the year was as follows:

	2020 No.	2019 No.
Teachers	30	30
Administration	33	34
	<u>63</u>	<u>64</u>

The number of higher paid employees was:

	2020 No.	2019 No.
In the band £100,001 - £200,000	1	1

During the year, the senior management team comprised the Chief Executive, Head of Education, Head of Finance and Operations and Head of Partnerships and Development. The total remuneration of key management personnel in the year was £257,601 (2019 - £271,995)

9. Other finance income

	2020 £	2019 £
Interest on pension scheme liabilities	<u>(12,000)</u>	<u>(13,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Intangible fixed assets

	Computer software £
Cost	
At 1 September 2019 and 31 August 2020	43,968
Amortisation	
At 1 September 2019	43,952
Charge for the year	16
At 31 August 2020	43,968
Carrying amount	
At 31 August 2020	-
At 31 August 2019	16

11. Tangible fixed assets

	Long Term Leasehold Property £	Fixtures & Equipment £	Instrument s £	Total £
Cost				
At 1 September 2019	70,218	112,503	672,530	855,251
Additions	8,370	19,474	-	27,844
Disposals	(4,289)	-	-	(4,289)
At 31 August 2020	74,299	131,977	672,530	878,806
Depreciation				
At 1 September 2019	56,574	76,586	553,061	686,221
Charge for the year	9,383	6,734	26,106	42,223
On disposals	(4,018)	-	-	(4,018)
At 31 August 2020	61,939	83,320	579,167	724,426
Net book value				
At 31 August 2020	12,360	48,657	93,363	154,380
At 31 August 2019	13,644	35,917	119,469	169,030

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Stocks

	2020 £	2019 £
Raw materials	2,964	13,581

The difference between purchase price or production cost of stocks and their replacement cost is not material.

13. Debtors

	2020 £	2019 £
Trade debtors	125	132,884
Other debtors	2,568	2,121
Prepayments and accrued income	1,126,604	1,198,979
	<u>1,129,297</u>	<u>1,333,984</u>

14. Current asset investments

	2020 £	2019 £
Long term deposit account	333,694	333,694

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	32,580	106,555
Other taxation and social security	33,763	43,354
Other creditors	17,839	12,252
Accruals and deferred income	90,557	233,386
	<u>174,739</u>	<u>395,547</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Prior year adjustment

The charity has since 2017 provided for a number of unfunded pension liabilities in accordance with FRS 102 and has recorded them within the financial statements at the present value of the commitments using an appropriate discount factor. Some of these were paid direct by the charity and some through Kent County Council. Confirmation was sought in the current year as to the status of these individuals and it was confirmed that those being paid by Kent County Council had also been included within the actuarial report and were therefore provided for twice. An adjustment has been made to strip out the duplicated amounts. This has resulted in an increase to unrestricted reserves of £78,859 as at 1 September 2018.

	Pension Reserve	Pension Reserve
	As re-stated	As perviously reported
1 September 2016	(1,430,715)	(1,430,715)
Prior year adjustment	86,702	
Gains	579,013	579,013
Expenditure	(1,151)	(1,151)
31 August 2017	(766,151)	(852,853)
Prior year adjustment	(7,843)	
Gains	213,000	213,000
31 August 2018	(560,994)	(639,853)
Prior year adjustment		
Losses	(130,000)	(130,000)
Income	4,994	4,994
31 August 2019	(686,000)	(764,859)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Designated funds					
Fixed asset fund	169,048	-	(14,668)	-	154,380
General funds					
General funds	1,027,521	747,615	(651,840)	-	1,123,296
Pension reserve	(686,000)	-	-	(53,000)	(739,000)
	341,521	747,615	(651,840)	(53,000)	384,296
Total Unrestricted funds	510,569	747,615	(666,508)	(53,000)	538,676
Endowment funds					
Endowment funds	333,694	-	-	-	333,694
Restricted funds					
KYWO instrument fund	10,265	-	-	-	10,265
Bursary fund	37,468	1,214	(1,591)	-	37,091
Kent Youth Choirs (KYC)	3,078	-	-	-	3,078
Kent Youth Wind Orchestra (KYWO)					
fundraising fund	1,600	-	-	-	1,600
Orchestra ONE	330	-	(330)	-	-
Youth Music (Fund C)	4,098	4,500	(7,532)	-	1,066
Arts Council England	1,475,649	2,134,158	(2,300,813)	-	1,308,994
D A Baker Endowment	1,624	4,496	-	-	6,120
	1,534,112	2,144,368	(2,310,266)	-	1,368,214
Total of funds	2,378,375	2,891,983	(2,976,774)	(53,000)	2,240,584

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/(out)</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Fixed asset fund	217,514	-	(58,883)	10,417	-	169,048
General funds						
General funds	883,123	1,065,844	(880,008)	(41,439)	-	1,027,520
Pension reserve	(560,993)	-	4,994	-	(130,000)	(685,999)
	<u>322,130</u>	<u>1,065,844</u>	<u>(875,014)</u>	<u>(41,439)</u>	<u>(130,000)</u>	<u>341,521</u>
Endowment funds	<u>333,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,694</u>
Restricted funds						
KYWO instrument fund	10,265	-	-	-	-	10,265
Bursary fund	36,944	8,397	(7,873)	-	-	37,468
Kent Youth Choirs (KYC)	3,078	-	-	-	-	3,078
Kent Youth Wind Orchestra (KYWO) fundraising fund	1,600	-	-	-	-	1,600
Safer Kent	1,478	-	-	(1,478)	-	-
Orchestra ONE	315	2,362	(34,847)	32,500	-	330
Youth Music (Fund C)	-	7,650	(3,552)	-	-	4,098
Arts Council England	3,758,311	4,402	(2,287,064)	-	-	1,475,649
D A Baker Endowment	188	4,388	(2,952)	-	-	1,624
	<u>3,812,179</u>	<u>27,199</u>	<u>(2,336,288)</u>	<u>31,022</u>	<u>-</u>	<u>1,534,112</u>
Total of funds	<u>4,685,517</u>	<u>1,093,043</u>	<u>(3,270,185)</u>	<u>-</u>	<u>(130,000)</u>	<u>2,378,375</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Purpose of restricted funds

- (i) The Bursary fund relates to income received specifically to assist students with payments of tuition fees.
- (ii) The Kent Youth Wind Orchestra (KYWO) instrument fund relate to funds received for the benefit of the Kent Youth Wind Orchestras.
- (iii) The Kent Youth Choirs (KYC) donation fund is monies received on the closure of Medway Opera and relates to the unspent balance of monies received.
- (iv) Orchestra ONE is a large scale ensemble for all abilities, particularly aimed at children and young people in challenging circumstances. Funding from the Music Education Hub has been allocated to enable it to continue for a further year.
- (v) Band without Boundaries is a West Kent jazz project aimed at people of all abilities, including those with learning difficulties and restricted physical ability.
- (vi) The Arts Council England fund relates to funding for the delivery of Music Education Hubs.
- (vii) Safer Kent is a project for young persons who are at risk of exclusion or have behavioural issues by providing music programmes.
- (viii) D A Baker endowment fund relates to the income and expenditure utilised from the endowment fund for tuition for children in the West Kent area.

In the current year a misallocation of Arts Council England funding was identified where costs incurred and approved by ACE has been incorrectly left within Unrestricted Funds. A retrospective adjustment has been made in respect of these amounts which has led to an adjustment of £578,988 between Unrestricted and Restricted reserves as at 31 August 2018.

As at 31 August 2020 there is a balance of £1,308,994 because in accordance with the the Charity's accounting policy, Grant income confirmed as at 1 April for the 12 month period is recognised in full at that date. Costs are considered to be incurred evenly over the term of the grant being 1 April to 31 March. The outstanding balance includes 7 months of income which will be used from September to March in line with the grant term.

Purpose of designated funds

- (i) The Fixed asset fund represents the value of funds invested in fixed assets which are not, by the nature of fixed assets, readily available for other purposes.

Pension reserve

The pension reserve included within the unrestricted reserve represents the defined benefit liability of £739,000.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	154,380	-	-	154,380
Current assets	1,298,035	1,368,214	333,694	2,999,943
Creditors due within one year	(174,739)	-	-	(174,739)
Provisions for liabilities and charges	(739,000)	-	-	(739,000)
	<u>538,676</u>	<u>1,368,214</u>	<u>333,694</u>	<u>2,240,584</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Intangible fixed assets	16	-	-	16
Tangible fixed assets	169,032	-	-	169,032
Current assets	1,423,069	1,534,112	333,694	3,290,875
Creditors due within one year	(395,548)	-	-	(395,548)
Provisions for liabilities and charges	(686,000)	-	-	(686,000)
	<u>510,569</u>	<u>1,534,112</u>	<u>333,694</u>	<u>2,378,375</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the year (as per Statement of Financial Activities)	(84,791)	(2,177,142)
Adjustment for:		
Depreciation charges	42,239	58,883
Dividends, interest and rents from investments	(5,131)	(4,719)
Loss on the sale of fixed assets	271	58,515
Decrease in stocks	-	2,047,477
Decrease in debtors	211,257	-
(Decrease)/increase in creditors	(227,377)	98,616
Decrease/(increase) in stocks	10,617	(6,212)
Pension scheme costs	-	(4,000)
Net cash (used in)/provided by operating activities	<u>(52,915)</u>	<u>71,418</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,533,988	1,609,617
Total	<u>1,533,988</u>	<u>1,609,617</u>

21. Pension commitments

The company operates Defined Benefit pension schemes. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company to the fund amounted to £28,452 (2019 - £27,259). The contributions payable by the company to the fund amounting to £8,239 (2019 - £8,479) were payable to the fund at the balance sheet date and included within creditors.

The company operates a Defined benefit pension scheme which is closed to new members..
Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages) :

	2020	2019
Discount rate at 31 August	1.45 %	1.75 %
Future salary increases	3.40 %	3.85 %
Future pension increases	2.40 %	2.35 %
RPI increases	3.25 %	3.35 %
CPI increases	2.40 %	2.35 %

Sensitivity analysis	At 31 August 2020 £	At 31 August 2019 £
Discount rate +0.1%	3,003,000	2,919,000
Discount rate -0.1%	3,084,000	2,999,000
Mortality assumption - 1 year increase	3,213,000	3,113,000
Mortality assumption - 1 year decrease	2,883,000	2,813,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Pension commitments (continued)

The assets in the scheme and the expected rates of return were:

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equities	1,493,000	1,549,000
Gilts	15,000	16,000
Other bonds	298,000	205,000
Property	253,000	265,000
Cash	70,000	61,000
Absolute return fund	175,000	177,000
Total market value of assets	<u>2,304,000</u>	<u>2,273,000</u>

The actual return on scheme assets was £1,250,000 (2019 - £44,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2020 £	2019 £
Interest on obligation	<u>(12,000)</u>	<u>(13,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2020 £	2019 £
Opening defined benefit obligation	2,959,000	2,839,000
Interest cost	51,000	70,000
Actuarial losses	167,000	174,000
Unfunded pension payments	-	(7,000)
Benefits paid	<u>(134,000)</u>	<u>(117,000)</u>
Closing defined benefit obligation	<u>3,043,000</u>	<u>2,959,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Pension commitments (continued)

Changes in the fair value of scheme assets were as follows:

	2020	2019
	£	£
Opening fair value of scheme assets	2,273,000	2,279,000
Actuarial gains and (losses)	114,000	44,000
Contributions by employer including unfunded pension payments	7,000	18,000
Admin expenses	(1,000)	(1,000)
Interest on assets	39,000	57,000
Benefits paid	(134,000)	(124,000)
Other actuarial gains/(losses)	(5,000)	-
	2,293,000	2,273,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £NIL (2019 - £NIL).

The company expects to contribute £NIL to its Defined benefit pension scheme which is closed to new members. in 2021.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2020	2019
Equities	65.00 %	68.00 %
Bonds	13.00 %	9.00 %
Cash	3.00 %	3.00 %
Gilts	1.00 %	1.00 %
Property	11.00 %	12.00 %
Target Return Portfolio	8.00 %	8.00 %

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Pension commitments (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2020 £	2019 £	2018 £	2017 £	2016 £
Defined benefit obligation	(3,043,000)	(2,959,000)	(2,839,000)	(3,060,000)	(3,421,000)
Scheme assets	2,293,000	2,273,000	2,279,000	2,288,000	2,075,000
Deficit	(750,000)	(686,000)	(560,000)	(772,000)	(1,346,000)
Experience adjustments on scheme assets	114,000	44,000	48,000	284,000	198,000

22. Operating lease commitments

At 31 August 2020 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts payable:		
Within 1 year	152,954	-
Between 1 and 5 years	25,602	174,728
Total	178,556	174,728

23. Related party transactions

During the year, trustee indemnity insurance was purchased for £827 (2019 - £679). In addition to this, trustees expenses reimbursed in the year amounted to £nil (2019 - £nil).