

**Charity Registration No. 1152703**

**Company Registration No. 08524556 (England and Wales)**

**WEST SUSSEX MUSIC TRUST**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

# WEST SUSSEX MUSIC TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr L C Nettley Mr T M Riches Dr C Guillaumier Mrs E M Evans
<b>Secretary</b>	Mr J G Underwood
<b>Charity number</b>	1152703
<b>Company number</b>	08524556
<b>Registered office</b>	Herbert Shiner School South Grove Petworth West Sussex GU28 0EE
<b>Auditor</b>	Carpenter Box Amelia House Crescent Road Worthing West Sussex BN11 1RL
<b>Bankers</b>	Clydesdale Bank Plc 5 Peveril Court 6-8 London Road Crawley RH10 8JE

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# WEST SUSSEX MUSIC TRUST

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# **WEST SUSSEX MUSIC TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021**

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The trustees present their report and accounts for the year ended 31 August 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the trust's Articles of Association 2013, the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)" published in October 2019.

### **Objectives and activities**

In accordance with its Articles of Association, West Sussex Music Trust ("the trust") exists to:

- advance education for the public benefit particularly, but not exclusively, in relation to music, the arts and performing arts;
- advance the arts and culture for the benefit of the public particularly, but not exclusively, by promoting and facilitating access to performances of music and other art forms;
- provide for the recreation of children, young people and adults for the benefit of the public by providing equipment, facilities and services to them in the interest of social welfare with the object of improving their conditions of life;
- advance the health and wellbeing of children, young people and adults for the benefit of the public;
- promote social inclusion for the public benefit by assisting those people who are socially excluded from society, or parts of society.

The trust provides music education to children and young people and supports 287 schools through an offer of whole-class first access programmes, ensemble opportunities, instrumental and vocal tuition, singing projects, CPD for teachers, instrument loan and large-scale inclusive music events. Additionally, the trust provides a comprehensive range of ensemble, tuition and support activities at its Saturday and evening music centres. The trust extends its reach by leading the West Sussex Music Education Hub; working strategically with Hub partners to raise participation and improve access to high-quality inclusive music-making, especially to disadvantaged and harder to reach young people. The work of the Hub is supported by the Department for Education's national music education hub grant which is managed by the trust.

### **Public benefit**

The trustees have paid due regard to guidance issued by the Charity Commission in deciding which activities the trust should undertake.

There is a charge for some of the services provided by the trust but there is a bursary fund for parents/carers in receipt of certain state benefits. The bursary fund uses the Department for Education's ('DfE') national hub grant to provide up to 100% subsidy for group lessons, instrument hire and music centre membership for pupils that receive benefits-related Free School Meals or are Children in Care.

Families in financial need that do not meet the 100% subsidy criteria are signposted to external grants and funds designed to help children access tuition. Schools are encouraged to use their Pupil Premium funding to support pupils' music education outside the classroom. The trust actively encourages families to consider paying monthly to spread the financial pressure.

### **Achievements and performance**

For much of the 2020-21 academic year, face to face tuition was severely limited due to school closures. Pupil numbers were significantly reduced in comparison with pre-pandemic levels, but the ingenuity and creativity of staff ensured notable achievements during this disrupted and challenging year, such as:

# WEST SUSSEX MUSIC TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

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- The introduction of online tuition and virtual ensemble rehearsals and performances for when face-to-face provision was not possible. 65% of students opted for online provision and evidence shows that those accessing online learning were more likely to continue lessons when face-to-face provision returned. All schools were offered online curriculum resources and CPD opportunities.
- The Youth Music (Alliance for a Musically Inclusive England) funded "Orchestras Inc." inclusive ensemble moved online during the pandemic, attracting even more SEN(D) participants than when it was face-to-face only.
- The establishment in April 2021 of the Music Education Hub Board\* to oversee the use of the national music education hub grant and act as a stakeholder advisory panel to the Trust, as lead organisation, on the Hub's strategy. This has created clarity and transparency between the Hub's national music grant objectives as distinct from the business and statutory responsibilities of the lead organisation's Board of Trustees.

\*The Hub Board is a requirement of the Arts Council England (ACE) national funding and was created following ACE-funded consultation work by Golant Innovation.

- Increased engagement on West Sussex Music's social medial channels to publicise the benefits of music education and to celebrate the achievements of young people through links to YouTube individual and group performances.

### COVID-19 pandemic

The closure of schools and music centres due to COVID-19 restrictions caused ongoing uncertainty for traded services during the 2020-21 academic year. The Trust made several strategic decisions following expert legal, financial and HR advice to ensure its long-term financial stability.

- **Use of the Government's Coronavirus Job Retention Scheme**  
The furlough scheme supported the wages of salaried teachers unable to deliver face to face tuition.
- **Development of online learning options for tuition; school programmes; ensembles and CPD**  
During the autumn of 2020 and spring 2021 the trust launched an online offer which could blend with face-to-face provision when this was possible:
  - Virtual Music Centre - 10 ensembles delivered on Saturday mornings
  - Online whole-class ensemble teaching ("WCET") - a series of YouTube videos and interactive online sessions
  - Online instrumental and vocal tuition to small groups and individual students.

To support online learning, a new online safeguarding policy was developed for families opting for online provision and adopted by teachers. The trust invested in Zoom pro-licences for hosts of CPD sessions and leaders of virtual ensembles to ensure longer session durations and more functionality. An audit of West Sussex Music teacher's training needs shaped the CPD programme.

A new SharePoint site, Student Zone, for sharing teaching resources was created to support online learning. Student Zone is a password protected site available to all West Sussex Music teachers and their pupils, where inspirational videos, written repertoire ideas and advice sheets are posted.

- **An organisational restructure and consultation on teachers' pay and conditions**  
In early 2021 a formal consultation process on teachers' pay and conditions took place. New terms of employment commenced on 1 May for those who accepted the new contract. The new contract has ensured continued employment and the survival of the trust as a significant music education provider in the county. Teachers that rejected the new contract had their employment terminated by redundancy but were invited to continue their current teaching as an independent, quality assured Associate Tutor should they wish to register. The senior leadership team was reduced by 1 FTE.

# WEST SUSSEX MUSIC TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

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- **Successful application to Arts Council England for a Cultural Recovery Fund (2) grant**

A successful bid of £535,845 to the Cultural Recovery Fund (2) ('CRF (2)'), from April to December 2021, gives the Trust and the Hub the best possible start on the road to recovery, stability, and rebuilding music education in West Sussex. The CRF(2) budget has funded:

- Building financial reserves
- Staff recruitment costs
- Marketing and publicity
- Rebranding
- Rebuilding music centre activities and tuition
- Staff training for improving inclusion and youth voice
- Implementing a new data management and billing system

### **Financial review**

The Trust has two main sources of income, traded income through the provision of music tuition direct to families and schools and the DfE national music education hub grant, administered by Arts Council England.

During the year ending 31 August 2021, total income was £2,247,721 (2020: £3,029,511) which exceeded expenditure of £1,829,765 (2020: £2,731,422) generating an overall surplus of £417,956 (2020: £298,089).

At 31 August 2021 the net book value of fixed assets was £546,433 (2020: £615,115) of which £528,303 (2020: £586,222) was the instrument stock. The assets were used exclusively for providing tuition and associated support services to pupils and schools in West Sussex.

The balance of unrestricted funds at the year end is £938,106 (2020: £526,808).

Restricted funds amount to £32,715 (2020: £26,057) at the year end and a more detailed analysis of these funds are provided in note 19. These relate to funds received for specific purposes that cannot be used for the general objects of the Charity.

### **Going concern**

The measures that management has taken during the COVID-19 crisis – including use of the government's support for businesses, the organisational restructure, and the award of the Cultural Recovery Grant - have ensured the long-term viability of the trust. The current liquidity that the trust has available to fulfil its obligations and to finance its ongoing operations provides the basis for the trustees' conclusion that there is not a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

### **Reserves policy**

The process of holding reserves is an essential part of good financial management practice. Trustees are however, required to justify their legal power to hold reserves.

The trustees of West Sussex Music Trust have determined that there is a need to secure the organisation's viability beyond the immediate future in order to provide reliable music services and funding over the longer term and to be able to absorb downturns in income.

A formula to determine the level of reserves includes:

- costs of staff redundancies
- contractual relationships, e.g. leases
- working capital requirements
- any outstanding net liabilities
- financing planned investments

# WEST SUSSEX MUSIC TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 AUGUST 2021

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The level of reserves required is reviewed bi-annually or as necessary to take into account the above formula. Responsibility for approving the annual assessment lies with the trustees. The Chief Executive and Head of Finance report to the trustees every year and make such recommendations for adjusting the reserves as appropriate.

To establish the value of reserves available to trustees known as "free reserves" monies held for specific purposes, including restricted funds and designated by the trustees for particular projects and any monies not available for other uses, must first be deducted. Restricted funds, the use of which is formally restricted by the funder, total £32,715 at the reporting date (2020: 26,057).

The policy of the Trust is to keep an operating free reserve with a minimum balance of £340,000 to reflect the above formula after deductions. At the balance sheet date, the operating free reserve at £391,673 (being unrestricted funds less fixed assets) was greater than the target amount and minimum acceptable balance. At this balance, trustees are confident that they have scope to take action to mitigate emerging risks and invest in sustainable income generation.

This is supported through full cost recovery budgeting, accurate forecasting, and careful treasury management. Any remaining free reserves not required under the reserves policy are available to develop the work of the charity, to meet its charitable objectives.

#### Principal risks and uncertainties

The trustees have a risk management strategy which comprises of a quarterly review of the risks the charity may face and a review of all procedural policies. During the COVID-19 pandemic, risk assessments have been presented to the Board more regularly. The trustees have assessed the major risks to which the trust is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

#### Future plans

The organisational restructure and new operating model have ensured that the trust's core traded business is now less reliant on national music education hub funding than it was previously. More of the hub's national grant funding, therefore, is available to extend the music education hub's range of services, by commissioning provision from strategic hub partners, and offer subsidies that will allow greater access to disadvantaged and harder to reach students.

The trust will rebuild its range of traded services to schools and its music centres by proactively recruiting teachers and associates to build student numbers to pre-pandemic levels of engagement.

#### Structure, governance and management

West Sussex Music Trust (trading as "West Sussex Music") is a company limited by guarantee with charitable status; it was incorporated on 10 May 2013 and registered with the Charity Commission on 3 July 2013. For over 50 years West Sussex Music (originally known as "West Sussex Music Support Service" and later as "West Sussex Music Service"), was a department within West Sussex County Council. On 1 November 2013, with the full support of West Sussex County Council, music services transferred out of local authority control to the trust. All teaching staff and managers TUPE transferred to West Sussex Music and ownership of the instrument stock transferred to the trust.

The trustees, who are also the directors for the purpose of company law, who served during the year were:

Mr L C Nettley

Mr T M Riches

Mr E G Rodriguez-Molinero

(Resigned 27 April 2021)

Dr C Guillaumier

Mrs E M Evans

Ms K Powell

(Resigned 27 April 2021)

# WEST SUSSEX MUSIC TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

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The Board of Trustees is responsible for appointing trustees, up to a maximum of nine. New trustees are recruited by recommendation and by utilising the knowledge of existing trustees who have a wide network of contacts in the voluntary and business communities of West Sussex. Potential trustees meet with the Chief Executive, and one other trustee, to find out more about the responsibilities of role. If both sides feel they wish to proceed, the potential trustee is invited to attend a trustees' meeting as an observer. Following that meeting a decision is made whether to invite the individual to become a trustee.

All new trustees join an induction programme designed to familiarise them with the strategy, management and day-to-day activities of West Sussex Music.

The term of office for all trustees shall be no more than three years. Retirement takes effect at the conclusion of the meeting nearest to the trustee's election anniversary. A trustee shall be eligible for re-election by the trustees, for up to one further term of up to three years. After a trustee has left the Board, they shall be eligible for election only after three years have elapsed since they stepped down as trustee.

At the trustees' meeting on 27 April 2021 the following trustees retired following their first term of office:

- Mr E G Rodriguez-Molinero
- Mr L C Nettley

Additionally at the 27 April meeting, the following trustee voluntarily declared their retirement mid-term:

- Ms K Powell

At the trustee's meeting on 27 April 2021 the following trustee was re-elected for second term of office:

- Mr L C Nettley

The trustees are responsible for adopting the business plan and annual budget, ensuring that the charitable objects are met and that the business is compliant. None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The management and governance structure of the Trust consists of the Board of Trustees and the Senior Leadership Team. The Board of Trustees meet during the year on a quarterly basis. The Chief Executive and Head of Finance also attend by invitation.

The Senior Leadership Team consists of:

- |                   |                  |                      |
|-------------------|------------------|----------------------|
| • James Underwood | Chief Executive  |                      |
| • Alison Sutton   | Assistant Head   |                      |
| • Angela Croucher | Head of Finance  |                      |
| • Louise Pickett  | HR Manager       |                      |
| • Ali Unsted      | Business Manager | (Resigned July 2021) |

The Senior Leadership Team runs the trust, implementing the policies set by the Board of Trustees and reporting back to them. Budget responsibility has been delegated by trustees to the senior leadership team. The Senior Leadership Team is supported by a wider team of managers and senior teachers with responsibilities for specific areas of core delivery.

### Auditor

In accordance with the company's articles, a resolution proposing that Carpenter Box be reappointed as auditor of the company will be put at a General Meeting.



# **WEST SUSSEX MUSIC TRUST**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

On behalf of the Board of Trustees

**Mr L C Nettley**

Chair of Trustees

Dated: 11 January 2022

# **WEST SUSSEX MUSIC TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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The trustees, who are also the directors of West Sussex Music Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# WEST SUSSEX MUSIC TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF WEST SUSSEX MUSIC TRUST

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#### Opinion

We have audited the financial statements of West Sussex Music Trust (the 'trust') for the year ended 31 August 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, 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 trust 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 trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

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

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

We have nothing to report in this regard.

# WEST SUSSEX MUSIC TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF WEST SUSSEX MUSIC TRUST

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### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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 statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose 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 trust'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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework that the trust operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the trust's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the company and our sector-specific experience.

# **WEST SUSSEX MUSIC TRUST**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF WEST SUSSEX MUSIC TRUST**

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As a result of these procedures, we considered the opportunities and incentives that may exist within the trust for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: employment law; and, compliance with the UK Companies Act and UK Charities Act.

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board and senior management;
- Reading correspondence with regulators;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to depreciation; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditors' 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.

**Robin Evans BA FCA CTA (Senior Statutory Auditor)**  
**for and on behalf of Carpenter Box**  
**Chartered Accountants**  
**Statutory Auditor**  
**Worthing**

25 January 2022

# WEST SUSSEX MUSIC TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	1,568,750	86,862	1,655,612	1,680,020
Incoming resources from charitable activities	4	581,042	-	581,042	1,251,161
Investments	5	-	-	-	72
Other income	6	11,067	-	11,067	98,258
<b>Total income</b>		<b>2,160,859</b>	<b>86,862</b>	<b>2,247,721</b>	<b>3,029,511</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	7	1,745,820	80,204	1,826,024	2,726,582
Other		3,741	-	3,741	4,840
<b>Total resources expended</b>		<b>1,749,561</b>	<b>80,204</b>	<b>1,829,765</b>	<b>2,731,422</b>
<b>Net income for the year/ Net movement in funds</b>		<b>411,298</b>	<b>6,658</b>	<b>417,956</b>	<b>298,089</b>
Fund balances at 1 September 2020		526,808	26,057	552,865	254,776
<b>Fund balances at 31 August 2021</b>		<b>938,106</b>	<b>32,715</b>	<b>970,821</b>	<b>552,865</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# WEST SUSSEX MUSIC TRUST

## STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2021

		2021		2020	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Property, plant and equipment	12		546,433		615,115
<b>Current assets</b>					
Trade and other receivables	13	27,831		197,499	
Cash at bank and in hand		484,989		239,395	
		<u>512,820</u>		<u>436,894</u>	
<b>Current liabilities</b>	15	(88,432)		(449,144)	
Net current assets/(liabilities)			424,388		(12,250)
<b>Total assets less current liabilities</b>			970,821		602,865
<b>Non-current liabilities</b>	16		-		(50,000)
<b>Net assets</b>			<u>970,821</u>		<u>552,865</u>
<b>Income funds</b>					
Restricted funds	19		32,715		26,057
Unrestricted funds			938,106		526,808
			<u>970,821</u>		<u>552,865</u>

The financial statements were approved by the Trustees on 11 January 2022

Mr L C Nettley  
Trustee

Company Registration No. 08524556

# WEST SUSSEX MUSIC TRUST

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23		295,594		253,921
<b>Investing activities</b>					
Purchase of property, plant and equipment		-		(55,661)	
Interest received		-		72	
<b>Net cash used in investing activities</b>			-		(55,589)
<b>Financing activities</b>					
Proceeds of new bank loans		-		50,000	
Repayment of bank loans		(50,000)		-	
<b>Net cash (used in)/generated from financing activities</b>			(50,000)		50,000
<b>Net increase in cash and cash equivalents</b>			245,594		248,332
Cash and cash equivalents at beginning of year			239,395		(8,937)
<b>Cash and cash equivalents at end of year</b>			484,989		239,395



# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

##### Company information

West Sussex Music Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Herbert Shiner School, South Grove, Petworth, West Sussex, GU28 0EE.

The trust has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

##### 1.1 Accounting convention

These accounts have been prepared in accordance with "Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £1.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

The financial statements have been prepared on a going concern basis. The trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the trust's operations. As described in greater detail in the Trustees' Report, the trust developed an online offering for tuition, whole-class ensemble teaching and music centre activities, to blend with face-to-face teaching where possible, and has also taken advantage of the financial assistance available to them, including the government-backed Coronavirus Job Retention Scheme, and the Arts Council England Culture Recovery Fund. The trustees have performed a robust analysis of forecast future cash flows, taking into account the potential impact on the trust of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the trustees have concluded that there is no material uncertainty in relation to the appropriateness of continuing to adopt the going concern basis in preparing the annual report and accounts.

##### 1.3 Incoming resources

Donations and grants are recognised as incoming resources when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Income from charitable activities is recognised in the period to which the lesson relates. Where invoiced in advance the appropriate amounts are therefore treated as deferred income.

##### 1.4 Resources expended

Expenditure relating to charitable activities is included in the Statement of Financial Activities on an accruals basis. It includes music teachers' remuneration, travel and room hire costs, inclusive of any irrecoverable VAT.

# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

(Continued)

Governance costs include amounts incurred in respect of the running of the charity as an organisation, including general management, administration, legal and constitutional matters.

Support costs include staff costs incurred to support governance, together with the cost of general management including office costs.

#### 1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Straight line over the term of the lease
Instruments	20 years straight line
Fixtures, fittings & equipment	3 - 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.6 Impairment of non-current assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **1 Accounting policies**

**(Continued)**

#### **1.8 Financial instruments**

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's statement of financial position when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The trust enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

#### **1.9 Employee benefits**

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.10 Retirement benefits**

Retirement benefits to employees of the trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the trust.

As a result of the organisational restructure, the trust ceased to contribute to the TPS during the year.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi-employer scheme and the trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each period.

The LGPS is a funded defined benefit scheme, however it was agreed on transfer that this is to be dealt with on a pass through basis, meaning that County Council underwrite any pension liabilities and therefore this has been accounted for as a defined contribution scheme.

The trust also operates a People's Pension scheme which is a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

#### **1.11 Leases**

Rentals payable under operating leases are charged to income on a straight line basis over the period of the relevant lease.

#### **1.12 Accumulated funds**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 2 Critical accounting estimates and judgements

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

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

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations and gifts	11,635	1,000	12,635	17,708
Grants receivable for core activities	1,557,115	85,862	1,642,977	1,629,800
Donated goods and services	-	-	-	32,512
	<u>1,568,750</u>	<u>86,862</u>	<u>1,655,612</u>	<u>1,680,020</u>
<b>For the year ended 31 August 2021</b>	<u>1,564,353</u>	<u>115,667</u>		<u>1,680,020</u>

Donated goods relate to musical instruments receivable from non-exchange transactions, for use by the Trust.

#### Grants receivable for core activities

Arts Council England	1,052,488	-	1,052,488	1,052,239
Arts Council England Culture Recovery Fund	383,196	-	383,196	-
Brighton & Hove Music & Arts	-	26,400	26,400	1,047
Redehall Special Needs School	-	2,638	2,638	3,000
HMRC (Coronavirus Job Retention Scheme)	121,431	-	121,431	473,273
West Dene Fund - Crawley Sings Live!	-	-	-	3,000
Arts Council England TPS Grant	-	56,724	56,724	97,241
Arts Council England Music Centre grant	-	100	100	-
	<u>1,557,115</u>	<u>85,862</u>	<u>1,642,977</u>	<u>1,629,800</u>

# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 4 Incoming resources from charitable activities

	2021 £	2020 £
Music education	581,042	1,251,161
Unrestricted funds	581,042	1,241,073

### 5 Investments

	Total	Unrestricted funds
	2021 £	2020 £
Interest receivable	-	72

### 6 Other income

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Other income	11,067	98,258

# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 7 Charitable activities

	2021 £	2020 £
Staff costs	1,358,385	2,138,694
Depreciation and impairment	54,178	53,040
Other costs	75,082	244,299
	<u>1,487,645</u>	<u>2,436,033</u>
Grant funding of activities (see note 8)	7,105	-
Share of support costs (see note 9)	216,653	158,801
Share of governance costs (see note 9)	114,621	131,748
	<u>1,826,024</u>	<u>2,726,582</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,745,820	2,584,664
Restricted funds	80,204	141,918
	<u>1,826,024</u>	<u>2,726,582</u>

### 8 Grants payable

	Music education 2021 £	Music education 2020 £
Grants to individuals	7,105	-
	<u>7,105</u>	<u>-</u>

# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 9 Support costs

	Support costs £	Governance costs £	2021 £	2020 £	Basis of allocation
Staff costs	75,837	70,683	146,520	151,300	Time spent
Other costs	130,053	43,938	173,991	132,179	Direct
Depreciation and impairment	10,763	-	10,763	7,070	Direct
	<u>216,653</u>	<u>114,621</u>	<u>331,274</u>	<u>290,549</u>	
Analysed between					
Charitable activities	<u>216,653</u>	<u>114,621</u>	<u>331,274</u>	<u>290,549</u>	

Governance costs includes payments to the auditors of £8,500 (2020: £8,075) for audit fees and £2,900 (2020: £2,700) for other services.

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or reimbursed expenses during the year.

# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Senior Leadership Team	5	6
Administration Staff	9	12
Permanent Teachers	26	46
Hourly Paid Teachers	20	47
	<u>60</u>	<u>111</u>

#### Employment costs

	2021 £	2020 £
Wages and salaries	1,257,289	1,835,322
Social security costs	82,254	133,629
Other pension costs	165,362	321,043
	<u>1,504,905</u>	<u>2,289,994</u>

During the year, severance payments were made totalling £256,845 (2020 - £Nil), comprising £229,785 redundancy pay and £27,060 pay in lieu of notice; these amounts are included within wages and salaries above.

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,000 - £70,000	<u>1</u>	<u>1</u>



# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 12 Property, plant and equipment

	Leasehold improvements	Instruments	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2020	15,705	1,083,556	96,286	1,195,547
Disposals	-	(8,314)	-	(8,314)
At 31 August 2021	15,705	1,075,242	96,286	1,187,233
<b>Depreciation and impairment</b>				
At 1 September 2020	9,071	497,334	74,027	580,432
Depreciation charged in the year	5,761	54,178	5,002	64,941
Eliminated in respect of disposals	-	(4,573)	-	(4,573)
At 31 August 2021	14,832	546,939	79,029	640,800
<b>Carrying amount</b>				
At 31 August 2021	873	528,303	17,257	546,433
At 31 August 2020	6,634	586,222	22,259	615,115

### 13 Trade and other receivables

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade receivables	19,195	173,114
Other receivables	607	966
Prepayments and accrued income	8,029	23,419
	27,831	197,499

### 14 Borrowings

	2021 £	2020 £
Bank loans	-	50,000
Payable after one year	-	50,000
Amounts included above which fall due after five years:		
Payable by instalments	-	9,167

# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 15 Current liabilities

	Notes	2021 £	2020 £
Other taxation and social security		12,963	19,184
Deferred income	17	3,707	295,175
Trade payables		49,148	71,789
Other payables		5,253	38,882
Accruals and deferred income		17,361	24,114
		<u>88,432</u>	<u>449,144</u>

### 16 Non-current liabilities

	Notes	2021 £	2020 £
Bank loans	14	-	50,000
		<u>-</u>	<u>50,000</u>

### 17 Deferred income

	2021 £	2020 £
Arising from tuition fees invoiced in advance	<u>3,707</u>	<u>295,175</u>

The income deferred in 2020 was released to the current year.

# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 18 Retirement benefit schemes

#### Defined contribution schemes

##### Teachers' Pension Scheme

###### *Introduction*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

As a result of the organisational restructure and changes to employee contracts, the trust ceased to contribute to the TPS during the year.

###### *Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £116,695 (2020: £263,746).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 18 Retirement benefit schemes

(Continued)

##### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, it was agreed on transfer that this is to be dealt with on a 'pass through' basis, meaning that County Council underwrite any pension liabilities and therefore this has been accounted for as a defined contribution scheme. The agreed employer contribution rate is 20.8% of pensionable pay. The total contribution made for the year ended 31 August 2021 was £34,570 (2020: £41,131).

##### Other pension schemes

The trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the trust in an independently administered fund. The charge for the year was £14,098 (2020: £16,166).

#### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds					Movement in funds			
	Balance at 1 September 2019	Incoming resources	Resources expended	Transfers	Balance at 1 September 2020	Incoming resources	Resources expended	Balance at 31 August 2021	
	£	£	£	£	£	£	£	£	£
Music Centres	26,284	11,578	(16,446)	-	21,416	1,100	(8,562)	13,954	
Horsham Council	2,780	2,019	(4,292)	-	507	-	-	507	
Instrument fund	1,137	-	(753)	-	384	-	-	384	
Accessible Orchestra	10,175	3,000	(14,956)	1,781	-	26,400	(14,571)	11,829	
Musical Chairs	63	5,517	(5,580)	-	-	-	-	-	
West Dene Fund	-	3,000	(250)	-	2,750	-	-	2,750	
Worthing Lions Tour	-	1,000	-	-	1,000	-	-	1,000	
Music Centres	-	2,400	(2,400)	-	-	-	-	-	
Music for All	-	-	-	-	-	2,638	(347)	2,291	
Arts Council England TPS Grant	-	97,241	(97,241)	-	-	56,724	(56,724)	-	
	<u>40,439</u>	<u>125,755</u>	<u>(141,918)</u>	<u>1,781</u>	<u>26,057</u>	<u>86,862</u>	<u>(80,204)</u>	<u>32,715</u>	

The Music Centres' income is restricted for the purpose of assisting the five Music Centres, being Worthing, Horsham, Haywards Heath, Chichester and Crawley.

The Horsham Council grant is restricted for the purpose of Horsham Year of Culture.

The instrument fund is restricted to either the purchase of new instruments or the refurbishment of existing instruments from the disposal proceeds of existing instruments.

The Accessible Orchestra Fund is restricted to the teaching and providing of orchestras for all children.

The West Dene Fund is restricted for the "Crawley Sings" event.

# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 19 Restricted funds

(Continued)

The Worthing Lions Tour donation is restricted for use on the Music Centres tour.

The Arts Council England TPS grant is restricted for the purpose of paying for increases in the employer's contributions required to the Teachers Pension Scheme.

The Music for All income is restricted to grants for specific pupils to participate in music lessons.

#### 20 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 August 2021 are represented by:						
Property, plant and equipment	546,433	-	546,433	615,115	-	615,115
Current assets/(liabilities)	424,388	-	424,388	(38,307)	26,057	(12,250)
Long term liabilities	-	-	-	(50,000)	-	(50,000)
	<u>970,821</u>	<u>-</u>	<u>970,821</u>	<u>526,808</u>	<u>26,057</u>	<u>552,865</u>

#### 21 Operating lease commitments

At the reporting end date the trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	3,000	28,000
Between two and five years	-	3,000
	<u>3,000</u>	<u>31,000</u>

Operating lease payments recognised as an expense during the year totalled £28,000 (2020: £20,500).

During the prior year a rent concession was received in relation to one of the leases held due to COVID-19. This was a five-month rent free period, resulting in a reduction in lease payments of £7,500 during the year ended 31 August 2020.

# WEST SUSSEX MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 22 Related party transactions

There were no disclosable related party transactions during the current or previous year.

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	239,958	281,397

### 23 Cash generated from operations

	2021 £	2020 £
Surplus for the year	417,956	298,089
Adjustments for:		
Investment income recognised in statement of financial activities	-	(72)
Loss on disposal of property, plant and equipment	3,741	4,840
Depreciation and impairment of property, plant and equipment	64,941	60,110
Movements in working capital:		
Decrease in trade and other receivables	169,668	152,287
(Decrease)/increase in trade and other payables	(69,244)	89,564
(Decrease) in deferred income	(291,468)	(350,897)
<b>Cash generated from operations</b>	<b>295,594</b>	<b>253,921</b>

### 24 Analysis of changes in net funds

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	239,395	245,594	484,989
Loans falling due after more than one year	(50,000)	50,000	-
	<u>189,395</u>	<u>295,594</u>	<u>484,989</u>