

REGISTERED COMPANY NUMBER: 08524556 (England and Wales)
REGISTERED CHARITY NUMBER: 1152703

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
FOR
WEST SUSSEX MUSIC TRUST

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

WEST SUSSEX MUSIC TRUST

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FOR THE YEAR ENDED 31 AUGUST 2022

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WEST SUSSEX MUSIC TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

In accordance with its Articles of Association, West Sussex Music Trust exists to:

- **advance education for the public benefit particularly, but not exclusively, in relation to the music, 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 283 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 what 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 DfE's 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 may qualify for a 50% subsidy for families in receipt of other state benefits. Students are also 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.

WEST SUSSEX MUSIC TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2022**

STRATEGIC REPORT

Achievement and performance

Charitable activities

During the year 2021-22, the West Sussex Music engagement strategy has focused on the following initiatives to rebuild following the pandemic:

1. Tomorrow's Orchestra Programme - a three-term programme of free or low-cost group lessons, ensemble membership and instrument hire based in Chichester, Horsham, and Worthing music centres to bring in new key stage 2 learners. Massed performances alongside the County Youth Orchestra have celebrated the achievements of the 44 TOPs graduates who will progress onto regular music centre ensembles in January 2023.
2. A free term of whole-class instrumental learning (WCET) for all Year 4 pupils in Crawley primary schools - an area of lower engagement from schools - resulted in 18 out of 24 schools taking up the offer, with 41 classes and 1,230 pupils involved.
3. Our accessible ensemble "Orchestras Inc." moved from online only to a hybrid delivery to enable more participants to benefit from face-to-face sessions.
4. A comprehensive CPD programme involved 656 attendees during the year culminated in the West Sussex Music Education Conference on 8 July with 136 delegates at Chichester College.
5. Responding to our schools needs analysis we engaged Ensemble Reza and Kidenza to give Live Music performances in schools to support primary to secondary progression routes. 2222 students benefited across 17 schools from this fully funded offer.
6. Massed singing events created opportunities for 600 pupils to perform at public venues including The Hawth, Crawley and Chichester Cathedral.

Operationally, the Trust was successful in:

1. Rebranding the Trust and Hub identities
2. Launching our new website
3. Introducing a new customer data management system - SpeedAdmin
4. Reviewing and restructuring the management team

Financial review

Financial position

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

During the year ending 31 August 2022, total income was £1,617,735 which exceeded expenditure of £1,524,710 generating an overall surplus of £93,025.

At 31 August 2022 the net book value of fixed assets was £494,998 of which £476,617 was the instrument assets. 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 £1,050,980.

Restricted funds amount to £12,864 at the year end and a more detailed analysis of these funds are provided in note 17. These relate to funds received for specific purposes that cannot be used for the general objects of the Charity.

WEST SUSSEX MUSIC TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2022**

STRATEGIC REPORT

Financial review

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

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 should 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.

The policy of West Sussex Music Trust is to keep an operating free reserve with a minimum balance to reflect the above formula after deductions. 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.

Any remaining year end surplus will be designated to provide for the relocation of the charity and potential purchase of a building which would become the West Sussex Music headquarters.

Going concern

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.

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. 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.

The Trust has recovered well from the business impact of the Covid 19 pandemic but like many other organisations faces some staff recruitment and retention challenges. This has been mitigated by a wider marketing and recruitment campaign and flexible arrangements for the engagement of tutors and other staff.

As part of the National Plan for Music Education, the government announced that Arts Council England would deliver a new Investment Programme for Music Hubs. The new Music Hub programme will start from September 2024. The Trust is confident that it will be successful in securing its future funding under this initiative.

WEST SUSSEX MUSIC TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022

STRATEGIC REPORT

Future plans

The innovations taken during 2021-22 to kickstart new opportunities for children and young people are, since September 2022, being developed further by our restructured management team.

We will implement a programme of free music activities for children from low income families during school holidays, using funding from the Holiday Activities and Food scheme, and will set up of a new Youth Advisory Board to promote youth advocacy.

We have extended our free WCET pilot project into Bognor Regis and Littlehampton primary schools as well as those in Crawley. In January 2023 the next cohort of the Tomorrow's Orchestra Programme (TOPs23) will launch instrumental and ensemble opportunities for a new generation of orchestral musicians. We will launch new West Sussex Young Voices choirs around the county.

We will continue to recruit a workforce of music practitioners and partner organisations to increase opportunities for young people to access the widest range of musical opportunities.

WEST SUSSEX MUSIC TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

West Sussex Music Trust (trading as "West Sussex Music") is a company limited by guarantee with charitable status; it incorporated on 10 May 2013 and registered with the Charity Commission on 3 July 2013.

For over 60 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:

- Mrs E M Evans
- Mrs C E Golden (appointed 7/7/2022)
- Dr C Guillaumier
- Mr L C Nettle (resigned 7/7/2022)
- Mr T M Riches
- Mrs G Stainer (appointed 11/1/2022)

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 at least 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 7 July 2022 the following trustee retired following their first term of office:

- Christina Guillaumier

At the trustee's meeting on 7 July 2022 the following trustee was re-elected for a second term of office:

- Christina Guillaumier

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]
- Angela Croucher [Head of Finance]
- Louise Pickett [Head of Operations]
- Alison Sutton [Assistant Head]
- Paul Smyth [Assistant Head] - since 01/09/22

WEST SUSSEX MUSIC TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2022**

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 the business management team with responsibilities for specific areas of core delivery.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08524556 (England and Wales)

Registered Charity number

1152703

Registered office

Herbert Shiner School
South Grove
Petworth
GU28 0EE

Trustees

Ms E M Evans
Dr C Guillaumier
L C Nettley (resigned 7/7/2022)
T M Riches
Ms G Stainer (appointed 11/1/2022)
Ms C E Golden (appointed 7/7/2022)

Company Secretary

J G Underwood

Senior Statutory Auditor

John Thacker FCA DChA

Auditors

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 business.

WEST SUSSEX MUSIC TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Chariot House Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 13 January 2023 and signed on the board's behalf by:

.....
T M Riches - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WEST SUSSEX MUSIC TRUST**

Opinion

We have audited the financial statements of West Sussex Music Trust (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (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 Auditors' 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 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 Report of the Independent Auditors 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 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.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WEST SUSSEX MUSIC TRUST**

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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WEST SUSSEX MUSIC TRUST**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

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

Based on our understanding of the charity and its activities, and through discussion with the trustees and management, we identified the principal risks and considered the extent to which these would have a material impact on the 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:

We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewed significant or unusual transactions to identify their underlying supporting rationale

We inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity's policies and procedures relating to:

- * Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- * Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- * The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates were indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

We also

- * discussed and reviewed the charity's business model and forward planning to assess going concern
- * communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- * reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- * carried out substantive testing on income and expenditure
- * re-performed reconciliations of control accounts, and recalculating items such as depreciation

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 Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WEST SUSSEX MUSIC TRUST**

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 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.

John Thacker FCA DChA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Date: 13 January 2023

WEST SUSSEX MUSIC TRUST**STATEMENT OF FINANCIAL ACTIVITIES**
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,143,135	251	1,143,386	1,655,612
Charitable activities					
Charitable Activities		473,089	-	473,089	581,042
Investment income	4	1,160	-	1,160	-
Other income		<u>100</u>	<u>-</u>	<u>100</u>	<u>11,067</u>
Total		<u>1,617,484</u>	<u>251</u>	<u>1,617,735</u>	<u>2,247,721</u>
EXPENDITURE ON					
Charitable activities	6				
Charitable Activities		<u>1,504,608</u>	<u>20,102</u>	<u>1,524,710</u>	<u>1,829,766</u>
NET INCOME/(EXPENDITURE)		112,876	(19,851)	93,025	417,955
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>938,104</u>	<u>32,715</u>	<u>970,819</u>	<u>552,864</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,050,980</u></u>	<u><u>12,864</u></u>	<u><u>1,063,844</u></u>	<u><u>970,819</u></u>

The notes form part of these financial statements

WEST SUSSEX MUSIC TRUST**BALANCE SHEET**
31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	14	494,998	-	494,998	546,432
CURRENT ASSETS					
Debtors	15	44,274	-	44,274	27,831
Cash at bank		<u>709,634</u>	<u>12,864</u>	<u>722,498</u>	<u>484,989</u>
		753,908	12,864	766,772	512,820
CREDITORS					
Amounts falling due within one year	16	(197,926)	-	(197,926)	(88,433)
NET CURRENT ASSETS		<u>555,982</u>	<u>12,864</u>	<u>568,846</u>	<u>424,387</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,050,980</u>	<u>12,864</u>	<u>1,063,844</u>	<u>970,819</u>
NET ASSETS		<u>1,050,980</u>	<u>12,864</u>	<u>1,063,844</u>	<u>970,819</u>
FUNDS	17				
Unrestricted funds				1,050,980	938,104
Restricted funds				<u>12,864</u>	<u>32,715</u>
TOTAL FUNDS				<u>1,063,844</u>	<u>970,819</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 13 January 2023 and were signed on its behalf by:

.....
T M Riches - Trustee

The notes form part of these financial statements

WEST SUSSEX MUSIC TRUST**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>245,112</u>	<u>295,594</u>
Net cash provided by operating activities		<u>245,112</u>	<u>295,594</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(11,713)	-
Sale of tangible fixed assets		2,950	-
Interest received		<u>1,160</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(7,603)</u>	<u>-</u>
Cash flows from financing activities			
Loan repayments in year		<u>-</u>	<u>(50,000)</u>
Net cash provided by/(used in) financing activities		<u>-</u>	<u>(50,000)</u>
		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		237,509	245,594
Cash and cash equivalents at the beginning of the reporting period		<u>484,989</u>	<u>239,395</u>
Cash and cash equivalents at the end of the reporting period		<u>722,498</u>	<u>484,989</u>

The notes form part of these financial statements

WEST SUSSEX MUSIC TRUST

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	93,025	417,955
Adjustments for:		
Depreciation charges	60,197	64,941
Loss on disposal of fixed assets	-	3,741
Interest received	(1,160)	-
(Increase)/decrease in debtors	(16,443)	169,668
Increase/(decrease) in creditors	<u>109,493</u>	<u>(360,711)</u>
Net cash provided by operations	<u><u>245,112</u></u>	<u><u>295,594</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/9/21 £	Cash flow £	At 31/8/22 £
Net cash			
Cash at bank	<u>484,989</u>	<u>237,509</u>	<u>722,498</u>
	<u>484,989</u>	<u>237,509</u>	<u>722,498</u>
Total	<u><u>484,989</u></u>	<u><u>237,509</u></u>	<u><u>722,498</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 charity is a public benefit entity as defined by FRS102.

Going Concern

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

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.

Income

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

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

Expenditure

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.

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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- Over the term of the lease
Instruments	- Straight line over 20 years
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

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. ACCOUNTING POLICIES - continued

Tangible fixed assets

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 the 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.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Retirement benefits to two employees of the trust are provided by the Local Government Pension Scheme ('LGPS') which is a defined benefit scheme and assets are held separately from those of the trust.

The LGPS is a funded defined benefit scheme, however it was agreed on transfers out from the County Council 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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, short term liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts. Bank overdrafts are shown within borrowings and current liabilities.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**1. ACCOUNTING POLICIES - continued****Financial instruments (cont)**

The trust has only financial assets and liabilities of a kind that qualify as basic financial instruments in line with Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instrument Issues". Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the trust's accounting policies the trustees are required to make judgements, estimated, 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

	2022	2021
	£	£
Donations	7,318	12,635
Grants	<u>1,136,068</u>	<u>1,642,977</u>
	<u>1,143,386</u>	<u>1,655,612</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Arts Council England	967,732	1,052,488
Arts Council England Culture Recovery Fund	160,753	383,196
Brighton & Hove Music & Arts	-	26,400
Redehall Special Needs School	-	2,638
Arts Council England - TPS Grant	-	56,724
Arts Council England Music Centre Grant	-	100
Hertfordshire Music Service	1,500	-
West Sussex County Council	6,083	-
Other grants	<u>-</u>	<u>121,431</u>
	<u>1,136,068</u>	<u>1,642,977</u>

WEST SUSSEX MUSIC TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 AUGUST 2022**4. INVESTMENT INCOME**

	2022	2021
	£	£
Deposit account interest	<u>1,160</u>	<u>-</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2022 Charitable Activities	2021 Total activities
	£	£
Music education	<u>473,089</u>	<u>581,042</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Grant funding of activities (see note 8)	Support costs (see note 9)	Totals
	£	£	£	£
Charitable Activities	<u>876,398</u>	<u>47,253</u>	<u>601,059</u>	<u>1,524,710</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Staff costs	616,273	1,125,398
Event Costs	8,377	21,439
Instrument Costs	65,199	22,675
Music Purchase	4,762	1,495
Professional Fees: Music	87,907	54,877
Room Hire	32,983	6,328
Safeguarding & Risk Assessment	6,893	19
Teaching Resources	414	544
Depreciation	<u>53,590</u>	<u>54,178</u>
	<u>876,398</u>	<u>1,286,953</u>

8. GRANTS PAYABLE

	2022	2021
	£	£
Charitable Activities	<u>47,253</u>	<u>8,026</u>

WEST SUSSEX MUSIC TRUST

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

9. SUPPORT COSTS

2022 Allocation of costs	Staff costs	Depreciation	Other costs	Total costs
	£	£	£	£
Music Education				
Activities undertaken directly	616,273	53,590	253,803	923,666
Support costs (excluding governance)	<u>374,155</u>	<u>6,607</u>	<u>125,143</u>	<u>505,905</u>
Total	990,428	60,197	378,946	1,429,571
Governance costs	<u>53,191</u>	-	<u>41,963</u>	<u>95,154</u>
Total resources expended	<u><u>1,043,619</u></u>	<u><u>60,197</u></u>	<u><u>420,909</u></u>	<u><u>1,524,725</u></u>

Other direct costs includes the grants awarded of £47,253.

Other governance costs are made up as follows;

Senior Management time allocated	53,191
Audit and accountancy fees	13,948
Bank charges and processing	3,880
Professional fees	5,474
Recruitment costs	<u>18,661</u>
	<u><u>95,154</u></u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	60,197	60,152
Auditors remuneration - audit fees	6,500	8,500
Auditors remuneration - non audit fees	<u>2,500</u>	<u>2,900</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2022 nor for the year ended 31 August 2021.

WEST SUSSEX MUSIC TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 AUGUST 2022**12. STAFF COSTS**

	2022	2021
	£	£
Wages and salaries	913,935	1,255,745
Social security costs	63,968	82,254
Other pension costs	<u>65,716</u>	<u>165,362</u>
	<u>1,043,619</u>	<u>1,503,361</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Central (including administration)	19	14
Delivery staff	<u>45</u>	<u>46</u>
	<u>64</u>	<u>60</u>

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

	2022	2021
£60,001 - £70,000	1	1
£80,001 - £90,000	<u>1</u>	<u>-</u>
	<u>2</u>	<u>1</u>

The total remuneration paid to Key Management Personnel during the year was £232,157 (2021; £239,958).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,568,751	86,861	1,655,612
Charitable activities			
Charitable Activities	581,042	-	581,042
Other income	<u>11,067</u>	<u>-</u>	<u>11,067</u>
Total	<u>2,160,860</u>	<u>86,861</u>	<u>2,247,721</u>
EXPENDITURE ON			
Charitable activities			
Charitable Activities	<u>1,749,565</u>	<u>80,201</u>	<u>1,829,766</u>
NET INCOME	411,295	6,660	417,955
RECONCILIATION OF FUNDS			
Total funds brought forward	526,809	26,055	552,864

WEST SUSSEX MUSIC TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 AUGUST 2022**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>938,104</u>	<u>32,715</u>	<u>970,819</u>

14. TANGIBLE FIXED ASSETS

	Improvements to property £	Instruments £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 September 2021	15,705	1,075,242	9,883	86,404	1,187,234
Additions	-	4,899	1,497	5,317	11,713
Disposals	-	(6,651)	-	-	(6,651)
At 31 August 2022	<u>15,705</u>	<u>1,073,490</u>	<u>11,380</u>	<u>91,721</u>	<u>1,192,296</u>
DEPRECIATION					
At 1 September 2021	14,832	546,940	9,058	69,972	640,802
Charge for year	873	53,634	758	4,932	60,197
Eliminated on disposal	-	(3,701)	-	-	(3,701)
At 31 August 2022	<u>15,705</u>	<u>596,873</u>	<u>9,816</u>	<u>74,904</u>	<u>697,298</u>
NET BOOK VALUE					
At 31 August 2022	<u>-</u>	<u>476,617</u>	<u>1,564</u>	<u>16,817</u>	<u>494,998</u>
At 31 August 2021	<u>873</u>	<u>528,302</u>	<u>825</u>	<u>16,432</u>	<u>546,432</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	46,516	33,033
Provision For Bad Debt	(23,393)	(13,838)
Other debtors	435	607
Prepayments and accrued income	<u>20,716</u>	<u>8,029</u>
	<u>44,274</u>	<u>27,831</u>

WEST SUSSEX MUSIC TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 AUGUST 2022**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade creditors	28,071	49,148
Social security and other taxes	17,068	12,963
Other creditors	6,892	5,433
Accruals and deferred income	<u>145,895</u>	<u>20,889</u>
	<u>197,926</u>	<u>88,433</u>

17. MOVEMENT IN FUNDS

	At 1/9/21 £	Net movement in funds £	Transfers between funds £	At 31/8/22 £
Unrestricted funds				
General fund	938,104	112,876	(200,000)	850,980
Future Building Fund	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
	938,104	112,876	-	1,050,980
Restricted funds				
Music Centres	13,954	(6,102)	-	7,852
Horsham Council	507	(507)	-	-
Instrument Fund	384	(384)	-	-
Accessible Orchestra	11,829	(11,829)	-	-
West Dene Fund	2,750	-	-	2,750
Worthing Lions Tour	1,000	(570)	-	430
Music for All	<u>2,291</u>	<u>(459)</u>	<u>-</u>	<u>1,832</u>
	<u>32,715</u>	<u>(19,851)</u>	<u>-</u>	<u>12,864</u>
TOTAL FUNDS	<u>970,819</u>	<u>93,025</u>	<u>-</u>	<u>1,063,844</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,617,484	(1,504,608)	112,876
Restricted funds			
Music Centres	-	(6,102)	(6,102)
Horsham Council	-	(507)	(507)
Instrument Fund	-	(384)	(384)
Accessible Orchestra	250	(12,079)	(11,829)
Worthing Lions Tour	-	(570)	(570)
Music for All	<u>-</u>	<u>(460)</u>	<u>(459)</u>
	<u>250</u>	<u>(20,102)</u>	<u>(19,851)</u>
TOTAL FUNDS	<u>1,617,735</u>	<u>(1,524,710)</u>	<u>93,025</u>

WEST SUSSEX MUSIC TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 AUGUST 2022**17. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1/9/20 £	Net movement in funds £	At 31/8/21 £
Unrestricted funds			
General fund	526,809	411,295	938,104
Restricted funds			
Music Centres	21,414	(7,460)	13,954
Horsham Council	507	-	507
Instrument Fund	384	-	384
Accessible Orchestra	-	11,829	11,829
West Dene Fund	2,750	-	2,750
Worthing Lions Tour	1,000	-	1,000
Music for All	-	2,291	2,291
	<u>26,055</u>	<u>6,660</u>	<u>32,715</u>
TOTAL FUNDS	<u>552,864</u>	<u>417,955</u>	<u>970,819</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,160,860	(1,749,565)	411,295
Restricted funds			
Music Centres	1,100	(8,560)	(7,460)
Accessible Orchestra	26,400	(14,571)	11,829
Music for All	2,637	(346)	2,291
Arts Council England - TPS Grant	56,724	(56,724)	-
	<u>86,861</u>	<u>(80,201)</u>	<u>6,660</u>
TOTAL FUNDS	<u>2,247,721</u>	<u>(1,829,766)</u>	<u>417,955</u>

The purposes of the restricted funds are as follows:

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

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

17. MOVEMENT IN FUNDS - continued

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

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.

18. EMPLOYEE BENEFIT OBLIGATIONS

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 was 22.7% to March 2022 and 21.7% of pensionable pay thereafter. The total employer contributions made for the year ended 31 August 2022 was £27,904 (2021: £34,570).

Other pension schemes

The trust operates a definite 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 for employers contributions was £37,812 (2021: £14,098).

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2022