

CORNWALL MUSIC SERVICE TRUST

England & Wales · Charity number 1159622

Details

Status	Registered
Legal form	Charitable company
Company number	09268124
Registered	2014-12-15
Register	View on the Charity Commission register

Contact

Address	Cornwall Music Service Trust Truro School Trennick Lane Truro TR1 1TH
Phone	01872246043
Email	office@cornwallmusicservicetrust.org
Website	www.cornwallmusicservicetrust.org

Activities

Objects: 1) TO ADVANCE EDUCATION WITHIN THE FRAMEWORK OF THE ARTS FOR THE BENEFIT OF THE PUBLIC OF CORNWALL AND ELSEWHERE.2) TO ADVANCE THE ARTS AND CULTURE FOR THE BENEFIT OF THE PUBLIC, PARTICULARLY BUT NOT EXCLUSIVELY BY PROMOTING AND FACILITATING ACCESS TO AND PERFORMANCES OF MUSIC AND OTHER ART FORMS.3) TO PROVIDE FOR THE RECREATION OF CHILDREN, YOUNG PEOPLE AND ADULTS FOR THE BENEFIT OF THE PUBLIC BY PROVIDING FACILITIES AND SERVICES TO THEM IN THE INTERESTS OF SOCIAL WELFARE WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE.4)TO PROMOTE AND PROVIDE FOR THE PUBLIC BENEFIT MUSIC THERAPY FOR THE RELIEF OF PHYSICAL AND MENTAL ILLNESS AND DISABILITY, THE ALLEVIATION OF DEVELOPMENTAL, EMOTIONAL, SOCIAL AND BEHAVIOURAL DIFFICULTIES AND THE PROTECTION AND PROMOTION OF GOOD HEALTH IN CHILDREN AND ADULTS, IN PARTICULAR, BUT NOT EXCLUSIVELY, IN CORNWALL AND THE ISLES OF SCILLY.

Activities: Provision of music education for children and young people in Cornwall. This includes instrumental and vocal lessons for individuals, provision of group activities and support within Cornwall's schools and other educational establishments.The Cornwall Music Service Trust is a recognised provider operating within the Cornwall Music Education Hub framework.

Classification

- **How:** Provides Services
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Arts/culture/heritage/science, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** CORNWALL AND THE ISLES OF SCILLY
- Cornwall

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£1,768,820	£1,757,742	£746,649	111
2024-08-31	£1,779,068	£1,746,490	£674,110	115
2023-08-31	£1,735,066	£1,736,970	£633,684	113
2022-08-31	£1,552,807	£1,770,785	£635,588	113
2021-08-31	£2,110,739	£1,672,340	£853,566	120

Trustees

Name	Role	Appointed
ALAN THOMAS LANE RETALLACK		2014-10-16
Amanda Louise Tomkinson		2025-02-20
Andy Johnson		2020-11-02
Elizabeth Sibley		2019-09-30
Jacqueline Brant		2021-04-26
PAUL KNEEBONE		2014-10-16
Rebecca Mary Jane Thomas		2014-10-16
Richard Osmond		2025-02-20

CORNWALL MUSIC SERVICE TRUST

England & Wales - Charity number 1159622

Accounts

CMST
Trustees Annual Report
2024/2025

2025 marks an important year for Cornwall Music Service Trust (CMST) as it represents the 10th anniversary of operations for what is now one of Cornwall's largest cultural employers. To mark the occasion special events have been and will continue to be held throughout the year with a very special anniversary concert staged at the Hall for Cornwall. Hitting a milestone such as this creates an opportunity for reflection and from this strategic plans can be made for the short, mid and long term future for music education in Cornwall.

CMST's Head of Service, Dr Gareth Churcher, has carefully crafted an impact report which pulls together data realised over the last 10 years and with some further contextual information allows the reader to understand how the landscape of music education has changed. The full report can be found [here](#) (for those not accessing this report digitally an exploded hyperlink is provided in the footnotes¹). There is an impressive set of statistics that highlight the breadth and depth of CMST's service provision, its contribution to the culture and heritage of Cornwall and how, through its over 120 staff and freelance musicians, it has a major impact on the economic picture of this part of the South West of England. In addition to its traded activities through the three main arms of CMST, music education, early years music support and music therapy, there is evidence of the substantial amount of funding received via grant making bodies that has supported much needed initiatives and activity which in turn has provided intervention and support for the people of Cornwall. Through generous donations and bequests CMST has also been able to pay forward support for those who demonstrate need, helping to overcome myriad barriers to offer equitable access to our services. This report also demonstrates, through a very few chosen case studies of which there are many more, the life long impact that CMST has on people who engage with service provision.

The statistical analysis shows the geographic spread of delivery but also how this provision is broken down into instrumental families and subsequent instruments. Notably the most favoured instruments presently, which has been the case since the COVID pandemic, are Guitar, Keyboard/Piano and Percussion. Previously the most popular instrumental family was Woodwind. It is a testament to the organisation that this shift in fashion has been

¹ https://drive.google.com/file/d/1_JS1xGLZaHLqS9w2Uy1YizMcVdkqX4BA/view?usp=drive_link

accommodated which in turn has allowed the business to continue to thrive however the consequences are that Cornwall's network of ensembles has been adversely impacted. Instruments that used to be very popular such as the flute and clarinet are now underrepresented and this in addition to the already categorised 'endangered species' such as bassoon, bass clarinet, tuba, trombone and french horn creates a real question mark over the viability and sustainability of certain ensembles. CMST is leveraging this data to address these concerns within the realms of its capacity but it will require a broader connected strategy from multiple organisations to reinvigorate this very important educational and cultural part of Cornwall's heritage.

Turning to this year's financial performance CMST has managed to navigate some challenges owing to financial resilience and rigour thanks to the hard work of the office team. The client management system, SpeedAdmin, is now in its third academic year cycle and proving extremely valuable. The software not only provides the finance operation but has inbuilt and adaptive data analysis tools that allow real time updates on provision. The management structure of CMST is working well both in terms of managing logistics, staff professional development and developing the staff base more broadly. Strategic meetings are held frequently between the office team, Head of Service and managerial staff to ensure effective communication and planning. Looking ahead a new initiative offering internal funding to support development work will be launched in the next academic year with the managerial staff able to apply for funding to address some of the aforementioned challenges in regards to underrepresented instruments.

The Head of Service is effective in maintaining relationships with key partners and stakeholders and keeps regular meetings with AsOne, the hub lead organisation for Cornwall. Recently it has been announced that Arts Council England will retain the contract of disseminating Department for Education funding for music education through the music hub network for the 2026/2027 academic year. A new model will be deployed thereafter with the creation of the National Centre for Music and the Arts. This all will impact CMST in some way so senior leadership and Trustees remain engaged with developments in this area.

Charity registration number 1159622

Company registration number 09268124 (England and Wales)

CORNWALL MUSIC SERVICE TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

CORNWALL MUSIC SERVICE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A Johnson Mr A T L Retallack Mrs J M R Brant Mr P Kneebone Mrs J A Scarborough Mrs E Sibley Miss R M J Thomas Mrs A L Tomkinson Mr R Osmond	(Appointed 20 February 2025) (Appointed 20 February 2025)
Senior management	Dr G Churcher	Head of Service
Charity number	1159622	
Company number	09268124	
Registered office	Truro School Trennick Lane TRURO Cornwall England TR1 1TH	
Auditor	TC Group Vivian House Newham Road Truro Cornwall United Kingdom TR1 2DP	
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP	
Solicitors	Foot Anstey LLP High Water House Malpas Road Truro Cornwall TR1 1QH	

CORNWALL MUSIC SERVICE TRUST

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CORNWALL MUSIC SERVICE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2025

The trustees present their annual report and financial statements for the year ended 31 August 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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

- to advance education within the framework of the arts for the benefit of the public of Cornwall and elsewhere.
- to advance the arts and culture for the benefit of the public, particularly but not exclusively by promoting and facilitating access to and performance of music and other art forms.
- to provide for the recreation of children, young people and adults for the benefit of the public by providing facilities and services to them in the interests of social welfare with the object of improving their conditions of life.
- to promote and provide for the public benefit music therapy for the relief of physical and mental illness and disability, the alleviation of developmental, emotional, social and behavioural difficulties and the protection and promotion of good health in children and adults, in particular, but not exclusively, in Cornwall and the Isles of Scilly.

Our Vision

We aspire to become a leading Music Service in the United Kingdom.

Our Mission

To offer high quality music and performing arts education and related opportunities that support the aspirations of children, young people and adults in Cornwall and beyond.

Our Values

Our work will be guided by our commitment to the following values:

Quality: We strive for excellence through continuous improvement in all areas of our work.

Inclusiveness: We respect people, value diversity and are committed to equality and open access.

Inspiration: We encourage imaginative and creative approaches in our activities.

Innovation: We welcome new developments and their application in music education.

Health and Wellbeing: We believe in the health and wellbeing benefits of engagement with music.

Caring: We believe in an understanding and compassionate ethos for our staff, students and all those we engage with.

Collaboration: We foster strong partnerships and links with other organisations and individuals.

Enjoyment: We see this as one of the hallmarks of our success.

Our broad objectives can be grouped as follows:

Learner Experience

- Identify and nurture talent of all abilities across all levels and stages, from learners that are just embarking on their first musical experiences to those who are exceptionally gifted and talented and demonstrate high levels of excellence
- Be inclusive; to reach all learners including those that are socially, educationally, geographically, physically or financially challenged
- Ensure that our curricula are ethnically and culturally diverse and inclusive
- Develop a range of formal and non-formal teaching methods that engage and encourage all learners
- Provide exciting and engaging performance opportunities
- Support and develop an Ensemble Network for instrumental and vocal performers (including adult learners)
- Provide and signpost opportunities for progression
- Develop a formal annual reporting system to facilitate feedback to students and their parents/carers
- Develop a system of bursaries to support the Learner Experience

Partnership with Educational Establishments

- Support educational establishments in recognising the value of music
- Exercise our influence in the provision of suitable environments for musical activities
- Engage, where possible with the latest research and development in music education
- Promote partnerships with a wide range of organisations including schools, colleges, universities, conservatoires and wider educational establishments
- Encourage dialogue with the informal and independent teaching sector, especially with the aim of promoting good teaching practice and teacher development

Service Development

- Develop an Early Years Music Strategy
- Develop a Vocal Strategy
- Develop a sustainable First Access programme
- Maintain a strong working relationship with Cornwall Music Education Hub, whilst being prepared for changes in national policy
- Make bids and applications for grant funding to other organisations with a view to increasing or enhancing our services
- Explore working with other performing art forms
- Maintain and develop Music Therapy

Organisational Framework

- Maintain a financially sustainable organisation
- Provide a safeguarded teaching environment that protects learners and teachers
- Develop a Quality Assurance Strategy
- Develop a robust system for staff appraisal and development
- Develop our Health and Wellbeing Strategy
- Identify and provide opportunities for developing the skills of Trustees and the effectiveness of the Board of Trustees
- Make best use of appointed advisers and friends scheme

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CORNWALL MUSIC SERVICE TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2025

Public benefit

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

Cornwall Music Service Trust provides music education for in excess of 10,000 pupils across all key stages and including further and higher education.

Cornwall Music Service Trust devotes significant time and resources to engagement with the local community, further details of which are given in the Public Benefit section below.

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Grant making policy

Access to music education we offer should not be restricted to those who can afford our fees. As a registered provider for the Cornwall Music Education Hub, Cornwall Music Service Trust can offer subsidised activities to those children currently eligible for means tested free school meals, children currently in care, children with one or more parents serving in the British Armed Forces, children or a parent in receipt of Personal Independence Payment and children with a Education, Health and Care Plan. In addition Cornwall Music Service Trust offers, on an application and audition basis, an award scheme to those children who, at all levels, show exceptional talent. A successful candidate will be entitled to a subsidised one to one lesson funded internally by Cornwall Music Service Trust.

Volunteers

Three working groups of volunteers have been established by the Board of Trustees these being: Funding Working Group - established to look at all aspects of fundraising including potential funding opportunities from external bodies and working within the Terms & Conditions set by the Board of Trustees. Advisory Panel - a panel of educators, musicians etc. that can be called upon for external advice to support and aid the Board of Trustees and Head of Service. Early Years Steering Group - following its objectives and aims, Cornwall Music Service Trust has embarked on an Early Years Music Service for 0-5s. To effectively implement this delivery CMST has called upon and will continue to draw upon the expertise of many Early Years practitioners.

Achievements and performance

Significant activities and achievements against objectives

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

FOR THE YEAR ENDED 31 AUGUST 2025

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CORNWALL MUSIC SERVICE TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2025

Fundraising practices

The work towards increasing the development and fundraising activity within Cornwall Music Service Trust enables the fulfilment of its charitable objectives.

No professional fundraisers are used.

The Charity always adheres to best practice when working with vulnerable children and adults. Its safeguarding policy covers all areas of the Charity's activities including any fundraising activities.

Investment performance

CMST has been able to dedicate some financial reserves to investment. After careful consideration and due diligence, an amount has been invested with M and G Securities. The return on investment has already been healthy allowing for the interest earned to be used for development work in the North of Cornwall.

Financial review

The Company's principal source of income is music tuition fees which were £1,523,771 (2024: £1,500,820). All of Cornwall Music Trust's expenditure was spent in advancement of its charitable objectives.

The net incoming resources for the year were £72,539 (2024: £40,426).

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The reserves policy of Cornwall Music Service Trust has been reviewed by the Board of Trustees during the year. Free reserves are regarded as those unrestricted funds that have not been designated for any specific purpose. At 31 August 2025 the Company had free reserves of £233,443 (2024: £150,102).

The Board of Trustees have carefully considered the level of reserves appropriate to be held by Cornwall Music Service Trust necessary for contingencies and movements in working capital. Having regard to the likelihood of financial risks and mitigating factors including its group structure, it considers the maximum level of free reserves required to be the equivalent of 2 months of gross salary costs, approximately 17% of turnover. The trustees aim is to increase this to 4 months of gross salaries in the light of the effects of the Covid-19 pandemic.

The Board of Trustees have passed this proposal and Cornwall Music Service Trust is working towards accumulating the free reserves aforementioned.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The total reserves at 31st August 2025 were £746,649 (2024: £674,110). This includes free reserves of £233,443 (2024: £150,102), designated reserves of £501,783 (2024: £502,576), and restricted reserves of £11,423 (2024: £21,432).

The deficit fund, which is a designated fund, totals £500,000. It is held to ensure that the charity has sufficient free reserves outlined in the reserves policy.

CORNWALL MUSIC SERVICE TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2025

Investment policy

The trustees have reviewed the social, environmental and ethical considerations when setting an investment policy and making investments.

The year end market value of the investment portfolio was £313,815. During the prior year, the trustees made the decision to invest £300k of the charity's free reserves with M & G Securities.

Plans for future periods

Cornwall Music Service Trusts "Potential Future Activities" (detailed in its Business Plan), as drawn up by the Senior Management Team, after consultation with the key stakeholders, and as approved by the Board of Trustees, provides the focus for the future development of Cornwall Music Service Trust. In particular, the future activities embrace the aspirations of Cornwall Music Service Trust for teaching developments, the growth of marketing, pupil numbers, enhanced staffing and the development of its delivery.

- Expand current delivery to outreach to further educational establishments and other organisations
- Create a strong cohesion with Truro School thus providing a Music Centre for Cornwall
- Explore & develop Music Technology education and digital music provision
- Create an internal assessment programme for students for all musical disciplines
- Provide a highly professional service to schools, Further Education and Higher Education and the wider community
- Work closely with national and international musicians, educators, conductors and clinicians to provide the highest quality masterclasses and holiday music schools
- Explore funding for bespoke programmes of work
- Create an e-learning environment to support the initial stages of music education
- Develop Early Years Music Provision and Training for Early Years practitioners
- Nationwide consultancy on Music Service Trust Formation
- Online delivery via Skype and Online Orchestra software in collaboration with Falmouth University to provide delivery to the hardest to reach areas and connect musicians that are isolated
- Bespoke workshops and projects for schools and the wider community.
- Weekend and evening workshops, etc - ie - Saturday morning theory classes
- Summer school and holiday courses
- Digital technology projects
- Performance opportunities at all levels; large scale and smaller settings - CMST cluster performances - bring groups of schools together for a massed performance.
- CMST Schools Prom - An annual performance to all primary schools using CMST ensembles giving an educational experience and demonstration encouraging new young people to learn
- Advice on purchase of musical instruments and resources in school
- One off supply days - music cover
- Write new performance and teaching material - this could be for individual instruments or for small ensembles. It could then be sold to pupils both in Cornwall and elsewhere as CMST Publications.
- Twilight training sessions for teachers on a whole variety of musical techniques, skills and tasks. This might include setting up an ensemble, conducting skills, composition starting points, working towards a performance

CORNWALL MUSIC SERVICE TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2025

- CPD presentations to Primary and Secondary Initial Teacher Training bodies - annual
- Secondary Head of Music Departments meetings and conferences
- Make the Cornwall Youth Jazz Festival an annual event
- Make the Cornwall Horn Festival an annual event
- Develop and expand Music Therapy provision
- Longer term; to look for funding to establish 'Music Centres' in the West and North & East of Cornwall along with collaborating with Truro School to find a central Music Centre
- After establishment of Music Centres appoint Area Managers to coordinate delivery in these areas
- Review management structure of CMST
- Review business plan and 5 year financial forecast in line with the above future plans as an ongoing activity
- Create a strong partnership with the City of London Symphonia including support in delivering their educational outreach programme
- Work closely and advise Trinity College of London or another national Music College on various aspects of delivery including but not exclusively the research element into the examination process and an online alternative
- Advise nationally on Early Years Music Education

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on the 16 October 2014 and registered as a charity on 15 December 2014. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Charity constitution

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Board of Trustees are elected to serve for a period of three years after which they must be re-elected at the next General Meeting. All members of the Board of Trustees give their time voluntarily and received no benefits from the charity. As Cornwall Music Service Trust has many roles to play in the educational sector the Trustees have been selected for the wide and diverse skill base they have to offer. In an effort to maintain this broad skill mix, members of the Board of Trustees are requested to provide a list of their skills (and update it each year) and in the event of particular skill being lost due to retirements, individuals are approached to offer themselves for election to the Board of Trustees.

CORNWALL MUSIC SERVICE TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2025

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A Johnson

Mr A T L Retallack

Mrs J M R Brant

Mr P Kneebone

Mrs J A Scarborough

Mrs E Sibley

Miss R M J Thomas

Mrs J M Bailey

(Resigned 14 February 2025)

Mr D I Solly

(Resigned 14 February 2025)

Mrs A L Tomkinson

(Appointed 20 February 2025)

Mr R Osmond

(Appointed 20 February 2025)

Recruitment and appointment of trustees

Trustees are nominated and appointed by the Board of Trustees. Appointments are for a period of three years which is renewable. The induction of new Trustees is the responsibility of the Chair and the Head of Service. All trustees, due to the nature of the work of Cornwall Music Service Trust, have enhanced Disclosure & Barring Service checks and are routinely updated on Safeguarding for Children and Vulnerable Adults.

There were two new Trustees appointed during the year.

Organisational structure

The Board of Trustees for Cornwall Music Service Trust, which meets at least three times a year, are responsible for the general policy and strategic direction of Cornwall Music Service Trust. In addition the Board of Trustees are legally responsible for the overall management and control of Cornwall Music Service Trust. The work of implementing most of their policies and day to day management is delegated to the Head of Service, supported by his Senior Team Managers. At present there are 9 Trustees from a variety of professional backgrounds relevant to the work of Cornwall Music Service Trust who form the Board of Trustees.

National benchmarking is used in setting pay for key management personnel but always with the Charity's affordability in mind.

Relationship with related parties

CMST will partner with a number of local organisations. These include the following:

Cornwall Music Education Hub for curriculum leadership, ensemble leadership, ensemble coordination, ensemble staffing, first access management and liaison, first access provision and minority instrument scheme delivery. Cornwall Council Local Authority for SEN delivery and inclusion delivery (disadvantaged families remissions funded). Cornwall's Schools for ensemble support, classroom support and curriculum delivery. Further Education Colleges & Higher Education Institutions for strategic links for service development and training of music teachers

CORNWALL MUSIC SERVICE TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2025

Statement of trustees' responsibilities

The trustees, who are also the directors of Cornwall Music Service 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 charity 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Auditor

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

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.

The trustees' report was approved by the Board of Trustees.



Miss R M J Thomas

Trustee

Date: 23/3/2025

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CORNWALL MUSIC SERVICE TRUST

Opinion

We have audited the financial statements of Cornwall Music Service Trust (the 'charity') for the year ended 31 August 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CORNWALL MUSIC SERVICE TRUST

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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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 charity 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 charity 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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.

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

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CORNWALL MUSIC SERVICE TRUST

Obtain an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates;

- Review of the disclosures in the financial statements and testing to support documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Discussion with management as to how compliance with these laws and regulations is monitored;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustee meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit approach also considered the opportunities and incentives that may exist within the charity for fraud and identified the greatest potential for fraud being in respect of cut off and completion risk around revenue recognition.

Under ISA (UK) we are also required to undertake procedures to respond to the risk of management override of controls. Our procedures included the following:

- Undertaking transactional testing on revenue
- Performing completeness testing on a sample of significant projects undertaken during the year
- Performing cut off testing on income
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business
- Reviewing estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making estimates.

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 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.

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CORNWALL MUSIC SERVICE 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Pearce (Senior Statutory Auditor)
for and on behalf of TC Group

24/03/2026
.....

Chartered Accountants
Statutory Auditor

Vivian House
Newham Road
Truro
Cornwall
United Kingdom
TR1 2DP

CORNWALL MUSIC SERVICE TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 AUGUST 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes						
Income and endowments from:							
Donations and legacies	3	29,066	31,980	61,046	8,321	21,905	30,226
Charitable activities	4	1,677,032	1,653	1,678,685	1,673,356	-	1,673,356
Other trading activities	5	8,750	-	8,750	2,135	-	2,135
Investments	6	18,239	-	18,239	9,455	-	9,455
Other income	7	55,459	-	55,459	66,031	-	66,031
Total income		<u>1,788,546</u>	<u>33,633</u>	<u>1,822,179</u>	<u>1,759,298</u>	<u>21,905</u>	<u>1,781,203</u>
Expenditure on:							
Raising funds	8	10,233	-	10,233	1,583	-	1,583
Charitable activities	9	1,703,867	43,642	1,747,509	1,729,219	15,688	1,744,907
Total expenditure		<u>1,714,100</u>	<u>43,642</u>	<u>1,757,742</u>	<u>1,730,802</u>	<u>15,688</u>	<u>1,746,490</u>
Net gains/(losses) on investments	15	<u>8,102</u>	<u>-</u>	<u>8,102</u>	<u>5,713</u>	<u>-</u>	<u>5,713</u>
Net income/(expenditure) and movement in funds		82,548	(10,009)	72,539	34,209	6,217	40,426
Reconciliation of funds:							
Fund balances at 1 September 2024		<u>652,678</u>	<u>21,432</u>	<u>674,110</u>	<u>618,469</u>	<u>15,215</u>	<u>633,684</u>
Fund balances at 31 August 2025		<u>735,226</u>	<u>11,423</u>	<u>746,649</u>	<u>652,678</u>	<u>21,432</u>	<u>674,110</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

CORNWALL MUSIC SERVICE TRUST

BALANCE SHEET

AS AT 31 AUGUST 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	17		-		1,833
Tangible assets	18		5,858		10,016
Investments	19		313,815		305,713
			<u>319,673</u>		<u>317,562</u>
Current assets					
Debtors	20	134,249		197,126	
Cash at bank and in hand		337,557		224,031	
		<u>471,806</u>		<u>421,157</u>	
Creditors: amounts falling due within one year	21	(44,830)		(64,609)	
Net current assets			<u>426,976</u>		<u>356,548</u>
Total assets less current liabilities			<u>746,649</u>		<u>674,110</u>
Net assets excluding pension liability			<u>746,649</u>		<u>674,110</u>
			<u><u>746,649</u></u>		<u><u>674,110</u></u>
The funds of the charity					
Restricted income funds	23		11,423		21,432
Unrestricted funds			735,226		652,678
			<u>746,649</u>		<u>674,110</u>
			<u><u>746,649</u></u>		<u><u>674,110</u></u>

The financial statements were approved by the trustees on 23/3/2026


 Miss R M J Thomas
 Trustee

Company registration number 09268124 (England and Wales)

CORNWALL MUSIC SERVICE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2025

		2025		2024	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		95,917		(34,471)
Investing activities					
Purchase of tangible fixed assets		(630)		(4,886)	
Purchase of investments		-		(300,000)	
Investment income received		18,239		9,455	
Net cash generated from/(used in) investing activities			17,609		(295,431)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			113,526		(329,902)
Cash and cash equivalents at beginning of year			224,031		553,933
Cash and cash equivalents at end of year			337,557		224,031

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

Charity information

The charitable company is incorporated in England and Wales and is limited by guarantee and does not have a share capital. In the event of the Company being wound up each member is liable to contribute a sum not exceeding £1.

There were 9 members at 31 August 2025 (2024: 9).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The 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 charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Fee income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	33% on cost
---------	-------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	33% on cost
Instruments	25% 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 the statement of financial activities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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 (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

Basic financial assets

Basic financial assets, which include stock, trade debtors, other debtors, and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity'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.

Critical judgements

The trustees do not believe there are any critical judgements that have been made in applying the charity's accounting policies.

Key sources of estimation uncertainty

Valuation of fixed asset investments

Fixed asset investments are included in the accounts at a valuation determined annually by the investment portfolio managers. The valuation of current asset investments are based on observable market prices. Such valuations are subjective and prone to changes in the market and other economic factors.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

2 Critical accounting estimates and judgements

(Continued)

Useful economic life of tangible fixed assets

The charity makes an estimate for the useful economic life of tangible fixed assets taking into account the age, condition, residual value and the expectations for the usage of each class of asset and applies a policy to charge depreciation on a systematic basis over that useful life, taking into account any impairment that has been identified.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	29,066	2,188	31,254	8,321	4,484	12,805
Grants	-	29,792	29,792	-	17,421	17,421
	<u>29,066</u>	<u>31,980</u>	<u>61,046</u>	<u>8,321</u>	<u>21,905</u>	<u>30,226</u>
Donations and gifts						
Donations and gifts	26,876	2,188	29,064	5,292	4,484	9,776
Gift aid	2,190	-	2,190	3,029	-	3,029
	<u>29,066</u>	<u>2,188</u>	<u>31,254</u>	<u>8,321</u>	<u>4,484</u>	<u>12,805</u>
Grants receivable for core activities						
Headley Trust	-	-	-	-	1,765	1,765
The National Foundation for Youth Music	-	12,177	12,177	-	14,906	14,906
Ruth Burden Community Trust	-	-	-	-	750	750
Jessies Fund	-	3,460	3,460	-	-	-
Cornwall Community Foundation	-	1,000	1,000	-	-	-
The James Sargent Early Years Music Education Trust	-	10,995	10,995	-	-	-
Cornwall Council	-	2,160	2,160	-	-	-
	<u>-</u>	<u>29,792</u>	<u>29,792</u>	<u>-</u>	<u>17,421</u>	<u>17,421</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

3 Income from donations and legacies

(Continued)

Headley Trust - grants have been received for £Nil (2024: £1,765) to subsidise music tuition lessons.

The National Foundation for Youth Music - grants have been received for £12,177 (2024: £14,906) to support Early Years Music Education.

Ruth Burden Community Trust - a grant has been received for £Nil (2024: £750) to support Early Years Music Education.

Jessies Fund - a grant has been received for £3,460 (2024: £Nil) to support music therapy.

Cornwall Community Foundation - a grant has been received for £1,000 (2024: £Nil) to support Early Years Music Education.

The James Sargent Early Years Music Education Trust - grants have been received for £10,955 (2024: £Nil) to support Early Years Music Education.

Cornwall Council - a grant has been received for £2,160 (2024: £Nil) to support music therapy.

4 Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Provision of music education, therapy and early years (0-5) service for children and young people and the wider community in Cornwall						
Music tuition fees	1,522,571	1,200	1,523,771	1,500,820	-	1,500,820
Music therapy fees	154,461	453	154,914	172,536	-	172,536
	<u>1,677,032</u>	<u>1,653</u>	<u>1,678,685</u>	<u>1,673,356</u>	<u>-</u>	<u>1,673,356</u>

CORNWALL MUSIC SERVICE TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2025****5 Income from other trading activities**

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
T-shirt income	60	1,456
Goods and services recharged	8,690	679
Other trading activities	8,750	2,135

6 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fixed asset investment income	13,073	2,905
Interest receivable	5,166	6,550
	18,239	9,455

7 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income	55,459	66,031

Other income relates to the receipt of Orchestra Tax Relief claimed from HMRC, event and workshop income, and miscellaneous income.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

8 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising and publicity		
Other fundraising costs	1,306	-
Trading costs		
Other trading activities	8,927	1,583
Total costs	10,233	1,583

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

9 Expenditure on charitable activities

	Provision of music education, therapy and early years (0-5) service for children and young people and the wider community in Cornwall 2025 £	Provision of music education, therapy and early years (0-5) service for children and young people and the wider community in Cornwall 2024 £
Direct costs		
Staff costs	1,585,774	1,571,830
Depreciation and impairment	4,788	5,514
Premises costs	14,289	13,974
Finance costs	2,507	2,837
Bad debts written off	26,253	40,920
	1,633,611	1,635,075
 Share of support and governance costs (see note 11)		
Support	96,553	92,337
Governance	17,345	17,495
	1,747,509	1,744,907
Analysis by fund		
Unrestricted funds	1,703,867	1,729,219
Restricted funds	43,642	15,688
	1,747,509	1,744,907

CORNWALL MUSIC SERVICE TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2025****10 Description of charitable activities**Provision of music education, therapy and early years (0-5) service for children and young people and the wider community in Cornwall

Provision of music education for children and young people in Cornwall. This includes instrumental and vocal lessons for individuals, provision of group activities and support within Cornwall's schools and other educational establishments. The Cornwall Music Service Trust is a recognised provider operating within the Cornwall Music Education Hub framework. Music therapy services are provided to a wide range of clients offering a life changing intervention. Early years music education (0-5s) provides music education and activity that draws on the innate musicality of very young children.

11 Support costs allocated to activities

	2025	2024
	£	£
Depreciation	1,833	1,834
Insurance	6,030	4,976
Postage and stationery	170	1,313
Sundries	4,716	3,378
Subscriptions and memberships	4,278	4,450
Advertising and marketing	1,914	2,844
IT software and consumables	21,718	21,042
Use of funds towards tuition	2,269	1,108
Ensemble, workshop, and inset expenses	20,751	13,776
Travel expenses and staff benefits	19,445	33,737
Subcontractors	13,429	3,879
Governance costs	17,345	17,495
	<u>113,898</u>	<u>109,832</u>
Analysed between:		
Provision of music education, therapy and early years (0-5) service for children and young people and the wider community in Cornwall	<u>113,898</u>	<u>109,832</u>

12 Net movement in funds

	2025	2024
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	10,862	14,400
Depreciation of owned tangible fixed assets	4,788	5,514
Amortisation of intangible assets	<u>1,833</u>	<u>1,834</u>

CORNWALL MUSIC SERVICE TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2025****13 Trustees**

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

14 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Teaching	108	110
Administration	3	3
Total	111	113

Employment costs

	2025	2024
	£	£
Wages and salaries	1,426,548	1,434,301
Social security costs	110,919	92,182
Other pension costs	48,307	45,347
	1,585,774	1,571,830

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025	2024
	Number	Number
£70,001 - £80,000	1	1

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025	2024
	£	£
Aggregate compensation	73,160	71,176

CORNWALL MUSIC SERVICE TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2025****15 Gains and losses on investments**

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Gains/(losses) arising on:		
Revaluation of investments	8,102	5,713

16 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

17 Intangible fixed assets

	Website £
Cost	
At 1 September 2024 and 31 August 2025	8,860
Amortisation and impairment	
At 1 September 2024	7,027
Amortisation charged for the year	1,833
At 31 August 2025	8,860
Carrying amount	
At 31 August 2025	-
At 31 August 2024	1,833

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

18 Tangible fixed assets

	Computers £	Instruments £	Total £
Cost			
At 1 September 2024	6,691	18,861	25,552
Additions	-	630	630
At 31 August 2025	6,691	19,491	26,182
Depreciation and impairment			
At 1 September 2024	3,723	11,813	15,536
Depreciation charged in the year	1,317	3,471	4,788
At 31 August 2025	5,040	15,284	20,324
Carrying amount			
At 31 August 2025	1,651	4,207	5,858
At 31 August 2024	2,968	7,048	10,016

19 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2024	305,713
Valuation changes	8,102
At 31 August 2025	313,815
Carrying amount	
At 31 August 2025	313,815
At 31 August 2024	305,713

CORNWALL MUSIC SERVICE TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2025****19 Fixed asset investments (Continued)**

	2025	2024
	£	£
Investments at fair value comprise:		
Cost	300,000	300,000
Valuation in 2024	5,713	5,713
Valuation in 2025	8,102	-
	<u>313,815</u>	<u>305,713</u>

Fixed asset investments were valued on an open market basis on 31 August 2025 by M & G Securities.

All investments are listed on the UK stock exchange.

There were no investment assets outside the UK.

20 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	77,615	73,197
Other debtors	50,582	116,786
Prepayments and accrued income	6,052	7,143
	<u>134,249</u>	<u>197,126</u>

21 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other taxation and social security	14,474	15,161
Trade creditors	8,118	8,632
Other creditors	7,641	7,594
Accruals and deferred income	14,597	33,222
	<u>44,830</u>	<u>64,609</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

22 Retirement benefit schemes

	2025	2024
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	48,307	45,347
	<u> </u>	<u> </u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Included in creditors at the year end was £7,642 (2024: £7,594) in respect of the defined contribution pension scheme.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

23 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2024	Incoming resources	Resources expended	Transfers	At 31 August 2025
	£	£	£	£	£
Early Years Music Education	254	-	(184)	-	70
Radford Trust	464	-	(96)	-	368
Cornwall Community Fund - Early Years	114	-	(112)	-	2
Music Therapy for Holly Martin	(374)	1,393	(1,020)	-	(1)
General Music Therapy Fund	2,867	648	-	(2,268)	1,247
Cornwall Community Fund - for Music Therapy and Inclusion Project	2,115	-	(1,510)	-	605
Headley Trust	1,765	-	(1,765)	-	-
Pitch up and Sing Fund	(53)	600	(1,574)	1,428	401
Cornwall Community Foundation - Ruth Burden Community Trust	750	555	(1,170)	-	135
The National Foundation for Youth Music	13,530	22,617	(30,491)	-	5,656
The Roseland Academy Jazz Project	-	1,200	(1,200)	-	-
Jessies Fund	-	3,460	(3,240)	-	220
Cornwall Community Foundation - Papillion Fund	-	1,000	-	-	1,000
Cornwall Council - Music Therapy	-	2,160	(1,200)	-	960
MT Partnership - Cornwall Women's Fund	-	-	(80)	840	760
	<u>21,432</u>	<u>33,633</u>	<u>(43,642)</u>	<u>-</u>	<u>11,423</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

23 Restricted funds

(Continued)

Previous year:	At 1 September 2023	Incoming resources	Resources expended	Transfers	At 31 August 2024
	£	£	£	£	£
Early Years Music Education	2,556	1,376	(3,678)	-	254
Radford Trust	824	-	(360)	-	464
Cornwall Community Fund - Early Years	114	-	-	-	114
Music Therapy for Holly Martin	886	481	(1,741)	-	(374)
General Music Therapy Fund	835	2,323	(291)	-	2,867
Cornwall Community Fund - for Music Therapy and Inclusion Project	10,000	-	(7,885)	-	2,115
Headley Trust	-	1,765	-	-	1,765
Pitch up and Sing Fund	-	1,680	(1,733)	-	(53)
Cornwall Community Foundation - Ruth Burden Community Trust	-	750	-	-	750
The National Foundation for Youth Music	-	13,530	-	-	13,530
	<u>15,215</u>	<u>21,905</u>	<u>(15,688)</u>	<u>-</u>	<u>21,432</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

23 Restricted funds

(Continued)

Details of the purpose of the restricted funds is as follows:

- Early Years Music Education: Donation from James Sargent (Trustee) for Early Years Music Education Service.
- Radford Trust Covid grant: Funding to support children and young people who were financially disadvantaged due to COVID-19 and otherwise would not be able to continue receiving music education.
- Cornwall Community Fund - Early Years: Funding for the provision of Music to children specifically in the early years (0-5s).
- Music Therapy for Holly Martin: Ringfenced fund for music therapy support to Holly Martin.
- General Music Therapy Fund: Funding to be used only for the provision of Music Therapy.
- Cornwall Community Fund - for Music Therapy and Inclusion Project: Funding obtained by Equality, Diversity and Inclusion lead for a bespoke therapy and inclusion project.
- Headley Trust: Grant received for the purpose of subsidising tuition lessons.
- Pitch Up and Sing Fund: Donations received ringfenced for music therapy dementia group costs.
- Cornwall Community Foundation - Ruth Burden Community Trust:
- The National Foundation for Youth Music: Funding to used for the Early Years Baby Sounds project.
- The Roseland Academy Jazz Project - Funding to be used for the Roseland Academy bespoke music project.
- Jessies Fund - Funding to be used only for the provision of Music Therapy.
- Cornwall Community Foundation - Papillion Fund - Early Years: Funding for the provision of Music to children specifically in the early years (0-5s).
- Cornwall Council - Music Therapy - Funding to be used only for the provision of Music Therapy.
- MT Partnership - Cornwall Women's Fund - Funding to be used only for the provision of Music Therapy.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

24 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 August 2025
	£	£	£	£	£	£
Deficit Reserve	500,000	-	-	-	-	500,000
Mark Wilkin Memorial Bursary	1,646	-	(408)	-	-	1,238
Superstrings Group	930	364	(749)	-	-	545
General funds	150,102	1,788,182	(1,712,943)	-	8,102	233,443
	<u>652,678</u>	<u>1,788,546</u>	<u>(1,714,100)</u>	<u>-</u>	<u>8,102</u>	<u>735,226</u>
	<u><u>652,678</u></u>	<u><u>1,788,546</u></u>	<u><u>(1,714,100)</u></u>	<u><u>-</u></u>	<u><u>8,102</u></u>	<u><u>735,226</u></u>
Previous year:	At 1 September 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 August 2024
	£	£	£	£	£	£
Deficit Reserve	300,000	-	-	200,000	-	500,000
Mark Wilkin Memorial Bursary	2,394	-	(748)	-	-	1,646
Superstrings Group	-	2,336	(1,406)	-	-	930
General funds	316,075	1,756,962	(1,728,648)	(200,000)	5,713	150,102
	<u>618,469</u>	<u>1,759,298</u>	<u>(1,730,802)</u>	<u>-</u>	<u>5,713</u>	<u>652,678</u>
	<u><u>618,469</u></u>	<u><u>1,759,298</u></u>	<u><u>(1,730,802)</u></u>	<u><u>-</u></u>	<u><u>5,713</u></u>	<u><u>652,678</u></u>

Included within the charity's funds is a revaluation reserve of £13,815 (2024: £5,713).

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

25 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 August 2025:			
Tangible assets	5,858	-	5,858
Investments	313,815	-	313,815
Current assets/(liabilities)	415,553	11,423	426,976
	<u>735,226</u>	<u>11,423</u>	<u>746,649</u>
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 August 2024:			
Intangible fixed assets	1,833	-	1,833
Tangible assets	10,016	-	10,016
Investments	305,713	-	305,713
Current assets/(liabilities)	335,116	21,432	356,548
	<u>652,678</u>	<u>21,432</u>	<u>674,110</u>

26 Operating lease commitments

Lessee

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

	2025 £	2024 £
Within one year	<u>13,674</u>	<u>13,674</u>

Payments in connection with operating leases during the year totalled £13,674 (2024: £13,674). At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

27 Related party transactions

During the year Cornwall Music Service Trust received donations from trustees and key management totalling £222 (2024: £236).

During the prior year Cornwall Music Service Trust received fixed assets with the value of £1,410 from an entity in which a trustee is the chair. The amount paid was £350 with £1,060 treated as a donation.

During the year Cornwall Music Service Trust received income totalling £4,599 (2024: £11,135) from entities in which there are common directors/trustees.

During the year Cornwall Music Service Trust incurred expenses totalling £14,419 (2024: £15,424) with entities in which there are common directors/trustees.

During the year a close family member of a trustee and key management personnel received wages of £13,841 (2024: £16,700).

During the prior year Cornwall Music Service Trust invested £400k with M & G Securities of which £100k belongs to The James Sargent Early Years Music Education Trust. This amount is not included in Cornwall Music Service Trust's accounts.

During the year the charity received grants from a trust in which key management personnel G Churcher is a trustee. The grants received totalled £10,995 (2024: £Nil).

28 Cash generated from operations	2025 £	2024 £
Surplus for the year	72,539	40,426
Adjustments for:		
Investment income recognised in statement of financial activities	(18,239)	(9,455)
Fair value gains and losses on investments	(8,102)	(5,713)
Amortisation and impairment of intangible assets	1,833	1,834
Depreciation and impairment of tangible fixed assets	4,788	5,514
Movements in working capital:		
(Increase)/decrease in stocks	-	30
Decrease/(increase) in debtors	62,877	(84,793)
(Decrease)/increase in creditors	(19,779)	17,686
Cash generated from/(absorbed by) operations	95,917	(34,471)

29 Analysis of changes in net funds

The charity had no material debt during the year.

Cornwall Music Service Trust

Management Report for the Year Ended 31st August 2025

Our Ref: COR2046

T. 01872 272047

www.tc-group.com

The Board of Trustees
Cornwall Music Service Trust

Dear Sirs

**AUDIT OF THE FINANCIAL STATEMENTS OF CORNWALL MUSIC SERVICE TRUST FOR THE
YEAR ENDED 31ST AUGUST 2025**

We have now completed our audit of the draft financial statements, subject to your approval of the financial statements and receipt of the standard representation letters that we will request.

We are pleased to enclose our report on the audit. The purpose of the report is to record the overall results of our work and to assist management by commenting on those matters that came to our attention during the course of the audit.

We would like to thank all staff who assisted us in the completion of our work.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'James Pearce', with a horizontal line underneath.

James Pearce
Audit Director

CONTENTS

1. Executive summary	2
2. Adjusted and Unadjusted Errors	4
3. Taxation	4
4. <i>Observations on the systems of accounting and internal financial control</i>	5

This report is part of a continuing dialogue between the charity and ourselves and is therefore not intended to cover every matter discussed during the course of the audit. For this reason, the report is intended for the sole use of the charity. We do not accept responsibility to any member of the board of trustees acting in an individual capacity, and do not accept responsibility for any reliance that third parties may place on the report.

It should be noted that the primary objective of our audit is to express an opinion on the truth and fairness of the society accounts as a whole. An audit does not examine every operating activity and accounting procedure in the society, nor does it substitute for management's responsibility to maintain adequate controls over the society's activities. Our work is not designed therefore to provide a comprehensive statement of all weaknesses or inefficiencies that may exist in the charity's systems and working practices, or all improvements that could be made.

1. EXECUTIVE SUMMARY

1.1. Purpose

The purpose of this report is to record the overall results of our work and to assist the trustees by commenting on those matters that came to our attention during the course of the audit. These matters cover:

- Independence
- Materiality and Audit approach
- Comments on the accounting policies and practices applied when preparing the financial statements
- Summary of adjusted and unadjusted errors in the financial statements
- Suggestions for improvement to the company's accounting and financial control systems.
- Proposed audit opinion.

1.2. Independence

In accordance with auditing standards, we can confirm that any relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff have been identified and assessed at the planning stage of our audit.

We have no independence issues to bring to your attention.

1.3. Audit approach and materiality

Our audit planning was carried out taking account of the issues highlighted through a planning meeting, and taking account our knowledge and understanding of the charity from previous years.

Materiality is reviewed annually and adjusted to take account of the business circumstances.

We are required to notify you of any potential adjustments identified during the course of our audit work unless they are clearly trifling, these are noted at 2.2.

1.4. Audit and accounting framework

Our audit of the charity was carried out in accordance with the Companies Act 2006.

We report to you as required under chapter 3 part 16 of the Companies Act 2006.

The charity was eligible to apply the small company provisions as it qualified as a small company under the Companies Act 2006.

1.5. Accounting policies and practices

In preparing the financial statements of the charity, the trustees are required under the accounting standards to review the charity's accounting policies on an annual basis to ensure they remain appropriate to the charity's circumstances and are being properly applied. We have reviewed the accounting policies and practices selected by the charity and are satisfied that they are acceptable.

1.6. Accounting and financial control systems

Based on our planning work the audit work was directed so as to place reliance on the accounting and financial control systems wherever possible.

We carried out our work mostly remotely this year with a day spent on site at the CMST offices based at Truro School.

We considered each of the main transaction cycles, reviewed financial procedures, conducted walkthrough tests of the systems and observed, documented and tested the key controls. Where appropriate we also carried out substantive transaction testing.

We have documented our findings and considered any areas of weakness and suggestions for improvement.

On the whole we found the charity had reasonable systems in place which provided a sound basis for the preparation of the accounts.

1.7. Proposed audit opinion

Based on the outcome of our audit work up to the present date and the amendments we have suggested to the accounts, and receiving the standard management representations that we will request from you, we propose to issue an unqualified audit report.

1.8. Matters for discussion

1. The material balance of potentially bad debts which had been left unpaid for a significant amount of time.
2. Monies and investments being held under the name of CMST on behalf of another trust (JSEYMET). We are aware that the funds held on behalf of JSEYMET have now been donated to CMST.

2. ADJUSTED AND UNADJUSTED ERRORS

2.1. Actual Audit Adjustments

	<i>Total</i> £'s
Surplus / (Deficit) per draft accounts	111,680
Being adjustment to website amortisation	1
Being unrealised gain on investments – transferred from balance sheet	8,102
Being increase in bad debt provision	(47,244)
Surplus / (Deficit) per statutory accounts	72,539

2.2. Potential Audit Adjustments

The following potential adjustments having an impact on the reported surplus have been noted during the course of our audit but have not been adjusted on the basis they are not material, and in this case is a projected error from minor items identified in our test sample.

	<i>Total</i> £'s
Being projected difference from the wages analytical review	(9,722)

3. TAXATION

As a charity, this organisation is exempt from corporation tax on its charitable activities. We have not identified any non-charitable trading activities that would be subject to tax.

4. OBSERVATIONS ON THE SYSTEMS OF ACCOUNTING AND INTERNAL FINANCIAL CONTROL

	Subject	Grade
1	The bad debt provision did not cover the amount of potential bad debts included within Debtors.	1
2	Not all employees had signed contracts of employment.	2
3	Expenditure is posted on the payment date rather than the invoice date.	3
4	JSEY funds are becoming more integrated with CMST's accounts.	1

We have used the following grading system to indicate the significance of the matters we have raised and the priority that we believe should be given to our recommendations:

Grade 1: We believe these observations are particularly significant and that management should take prompt action.

Grade 2: These observations are significant but of a less urgent nature than grade 1 observations. We believe that action needs to be taken within agreed timescales.

Grade 3: Observations that merit attention but are less significant than grade 1 and 2 observations.

1	The bad debt provision did not cover the amount of potential bad debts within Debtors.	Grade 1			
<i>Issue</i> When reviewing the old debts within Xero and SpeedAdmin we noticed there had been very few receipts in settlement of these balances between September 2025 and the date of our audit fieldwork. This resulted in a balance of £93k being classed as a potential bad debt compared to the £46k provision that was included in the draft accounts. The trustees have a duty to protect the assets of the charity from undue risk. Incurring bad debts at this level over successive years may be seen as being at odds with this requirement. Steps must be taken to limit the charity's exposure to the risk of bad debts.					
<table> <tr> <td> <i>Recommendation</i> <i>We recommend that debts are reviewed and chased regularly and that if a debt is unlikely to be received, a suitable provision is made to cover these potential bad debts.</i> <i>You might consider ceasing to provide tuition to students when their payments become overdue.</i> </td><td> <i>Management response</i> </td><td> <i>Action by:</i> <i>Deadline:</i> </td></tr> </table>			<i>Recommendation</i> <i>We recommend that debts are reviewed and chased regularly and that if a debt is unlikely to be received, a suitable provision is made to cover these potential bad debts.</i> <i>You might consider ceasing to provide tuition to students when their payments become overdue.</i>	<i>Management response</i>	<i>Action by:</i> <i>Deadline:</i>
<i>Recommendation</i> <i>We recommend that debts are reviewed and chased regularly and that if a debt is unlikely to be received, a suitable provision is made to cover these potential bad debts.</i> <i>You might consider ceasing to provide tuition to students when their payments become overdue.</i>	<i>Management response</i>	<i>Action by:</i> <i>Deadline:</i>			

2	Not all employees had signed contracts of employment.	Grade 2
<i>Issue</i> Out of a sample of 22 employees, 10 didn't have a signed contract of employment on file. 1 of these 10 didn't have a contract issued.		
<i>Recommendation</i> We recommend that signed contracts are held on file for all employees	<i>Management response</i>	<i>Action by:</i> <i>Deadline:</i>

3	Expenditure is posted on the payment date rather than the invoice date.	Grade 3
<i>Issue</i> Out of a sample of 13 purchases tested, 8 had different posting dates to the invoice date. This could potentially result in trade creditors being understated as purchases are only posted when payment has been made.		
<i>Recommendation</i> We recommend that invoices are posted to Xero with the tax point date specified on the invoice. Then match bank payments to the invoices on the date the payment is received.	<i>Management response</i>	<i>Action by:</i> <i>Deadline:</i>

4	JSEYMET funds are becoming more integrated with CMST's accounts.	Grade 1			
<i>Issue</i> From reviewing investments and cash at bank, the funds of The James Sargent Early Years Music Education Trust (JSEYMET) are becoming integrated within CMST's accounts which is therefore making it harder to separate from the charity's own balances. Although we understand there is a process for the trustees of JSEYMET to make investment decisions, the investment accounts are under an overarching CMST relationship, and with Gareth being both a Trustee of JSEYMET and key management of CMST, this may still present a risk to the charity that it could be considered to be making investment decisions on behalf of JSEYMET.					
<table> <tr> <td> <i>Recommendation</i> <i>We recommend a separate investment portfolio be set up in the name of JSEYMET so that the funds of CMST and JSEYMET can be separately identified and managed independently.</i> <i>We are aware that the funds held on behalf of JSEYMET have now been donated to CMST.</i> </td><td> <i>Management response</i> </td><td> <i>Action by:</i> <i>Deadline:</i> </td></tr> </table>			<i>Recommendation</i> <i>We recommend a separate investment portfolio be set up in the name of JSEYMET so that the funds of CMST and JSEYMET can be separately identified and managed independently.</i> <i>We are aware that the funds held on behalf of JSEYMET have now been donated to CMST.</i>	<i>Management response</i>	<i>Action by:</i> <i>Deadline:</i>
<i>Recommendation</i> <i>We recommend a separate investment portfolio be set up in the name of JSEYMET so that the funds of CMST and JSEYMET can be separately identified and managed independently.</i> <i>We are aware that the funds held on behalf of JSEYMET have now been donated to CMST.</i>	<i>Management response</i>	<i>Action by:</i> <i>Deadline:</i>			

CORNWALL MUSIC SERVICE TRUST

England & Wales - Charity number 1159622

Accounts

REGISTERED COMPANY NUMBER: 09268124 (England and Wales)
REGISTERED CHARITY NUMBER: 1159622

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024
FOR
CORNWALL MUSIC SERVICE TRUST
(A COMPANY LIMITED BY GUARANTEE)

TC Group
Statutory Auditors
The Old Carriage Works
Moresk Road
Truro
Cornwall
TR1 1DG

CORNWALL MUSIC SERVICE TRUST

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FOR THE YEAR ENDED 31 AUGUST 2024

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CORNWALL MUSIC SERVICE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2024

TRUSTEES	J M Bailey (resigned 14/2/2025) R Bates (resigned 1/9/2023) J M R Brant A S Gordon-Brown (resigned 1/9/2023) A Johnson P Kneebone A T L Retallack J A Scarborough E Sibley D I Solly (resigned 14/2/2025) R M J Thomas A L Tomkinson (appointed 20/2/2025) R Osmond (appointed 20/2/2025)
REGISTERED OFFICE	Truro School Trennick Lane TRURO Cornwall TR1 1TH
REGISTERED COMPANY NUMBER	09268124 (England and Wales)
REGISTERED CHARITY NUMBER	1159622
INDEPENDENT AUDITORS	TC Group Statutory Auditors The Old Carriage Works Moresk Road Truro Cornwall TR1 1DG
SOLICITORS	Foot Anstey LLP High Water House Malpas Road TRURO Cornwall TR1 1QH
BANKERS	Barclays Bank Plc 1 Churchill Place LONDON E14 5HP

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2024**

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 2024. 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

Charitable Objects (for the Public Benefit)

- to advance education within the framework of the arts for the benefit of the public of Cornwall and elsewhere
- to advance the arts and culture for the benefit of the public, particularly but not exclusively by promoting and facilitating access to and performance of music and other art forms
- to provide for the recreation of children, young people and adults for the benefit of the public by providing facilities and services to them in the interests of social welfare with the object of improving their conditions of life
- to promote and provide for the public benefit music therapy for the relief of physical and mental illness and disability, the alleviation of developmental, emotional, social and behavioural difficulties and the protection and promotion of good health in children and adults, in particular, but not exclusively, in Cornwall and the Isles of Scilly.

Aims

Our Vision

We aspire to become a leading Music Service in the United Kingdom.

Our Mission

To offer high quality music and performing arts education and related opportunities that support the aspirations of children, young people and adults in Cornwall and beyond.

Our Values

Our work will be guided by our commitment to the following values:

Quality: We strive for excellence through continuous improvement in all areas of our work.

Inclusiveness: We respect people, value diversity and are committed to equality and open access.

Inspiration: We encourage imaginative and creative approaches in our activities.

Innovation: We welcome new developments and their application in music education.

Health and Wellbeing: We believe in the health and wellbeing benefits of engagement with music.

Caring: We believe in an understanding and compassionate ethos for our staff, students and all those we engage with.

Collaboration: We foster strong partnerships and links with other organisations and individuals.

Enjoyment: We see this as one of the hallmarks of our success.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2024**

Our broad objectives can be grouped as follows:

Learner Experience

- Identify and nurture talent of all abilities across all levels and stages, from learners that are just embarking on their first musical experiences to those who are exceptionally gifted and talented and demonstrate high levels of excellence
- Be inclusive; to reach all learners including those that are socially, educationally, geographically, physically or financially challenged
- Ensure that our curricula are ethnically and culturally diverse and inclusive
- Develop a range of formal and non-formal teaching methods that engage and encourage all learners
- Provide exciting and engaging performance opportunities
- Support and develop an Ensemble Network for instrumental and vocal performers (including adult learners)
- Provide and signpost opportunities for progression
- Develop a formal annual reporting system to facilitate feedback to students and their parents/carers
- Develop a system of bursaries to support the Learner Experience

Partnership with Educational Establishments

- Support educational establishments in recognising the value of music
- Exercise our influence in the provision of suitable environments for musical activities
- Engage, where possible with the latest research and development in music education
- Promote partnerships with a wide range of organisations including schools, colleges, universities, conservatoires and wider educational establishments
- Encourage dialogue with the informal and independent teaching sector, especially with the aim of promoting good teaching practice and teacher development

Service Development

- Develop an Early Years Music Strategy
- Develop a Vocal Strategy
- Develop a sustainable First Access programme
- Maintain a strong working relationship with Cornwall Music Education Hub, whilst being prepared for changes in national policy
- Make bids and applications for grant funding to other organisations with a view to increasing or enhancing our services
- Explore working with other performing art forms
- Maintain and develop Music Therapy

Organisational Framework

- Maintain a financially sustainable organisation
- Provide a safeguarded teaching environment that protects learners and teachers
- Develop a Quality Assurance Strategy
- Develop a robust system for staff appraisal and development
- Develop our Health and Wellbeing Strategy
- Identify and provide opportunities for developing the skills of Trustees and the effectiveness of the Board of Trustees
- Make best use of appointed advisers and friends scheme

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2024**

Activities

Cornwall Music Service Trust provides music education for in excess of 10,000 pupils across all key stages and including further and higher education.

Cornwall Music Service Trust devotes significant time and resources to engagement with the local community, further details of which are given in the Public Benefit section below.

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Bursary and Grant Making Policy

Access to music education we offer should not be restricted to those who can afford our fees. As a registered provider for the Cornwall Music Education Hub, an arm of Cornwall Council, Cornwall Music Service Trust can offer subsidised activities to those children currently eligible for means tested free school meals, children currently in care, children with one or more parents serving in the British Armed Forces, children or a parent in receipt of Disability Living Allowance and children with a Statement of Special Educational Needs. In addition Cornwall Music Service Trust offers, on an application and audition basis, an award scheme to those children who, at all levels, show exceptional talent. A successful candidate will be entitled to a subsidised one to one lesson funded internally by Cornwall Music Service Trust.

Volunteers

Three working groups of volunteers have been established by the Board of Trustees these being: Funding Working Group - established to look at all aspects of fundraising including potential funding opportunities from external bodies and working within the Terms & Conditions set by the Board of Trustees. Advisory Panel - a panel of educators, musicians etc. that can be called upon for external advice to support and aid the Board of Trustees and Head of Service. Early Years Steering Group - following its objectives and aims, Cornwall Music Service Trust has embarked on an Early Years Music Service for 0-5s. To effectively implement this delivery CMST has called upon and will continue to draw upon the expertise of many Early Years practitioners.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2024**

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The work towards increasing the development and fundraising activity within Cornwall Music Service Trust enables the fulfilment of its charitable objectives.

No professional fundraisers are used.

The Charity always adheres to best practice when working with vulnerable children and adults. Its safeguarding policy covers all areas of the Charity's activities including any fundraising activities.

ACHIEVEMENT AND PERFORMANCE

Systems

Following last year's annual report where the challenges of Paritor, the then embedded client management system were reported on, the Trustees are pleased with the swift action by the office and management team to research and implement an alternative. SpeedAdmin has replaced Paritor and has already had a positive impact for all users. Staff have reported that it is a much more user friendly, efficient platform and customers (parents/guardians/clients/schools) have been equally positive. The office team have found it a much more intuitive system and the support received from the SpeedAdmin team is quick in response to query, ongoing to support training and the software is constantly being updated and improved. A new version of SpeedAdmin is being trialled across the UK by certain Music Services and Hubs with our office staff having already received access to view the new platform and offer feedback. One of the most useful tools of the software is the application which can be accessed by both staff and customers.

Staffing

Although numbers of staff remain fairly consistent there has been a modest stream of staff leaving and new members joining. As will be evidenced in the delivery map below in this report there has been a shift towards Piano, Keyboard, Drums and Guitar as more popular instruments with a reduction in student numbers over the past few years engaging with Brass, Woodwind and String instruments. This is partly to do with choice but also staffing available in these less engaged with instrumental families and the subset of instruments therein presents a challenge. This pattern will need to be addressed.

Partnerships

Cornwall Music Service Trust (CMST) enjoys a wealth of partnerships both locally and nationally. This is a representation of the breadth of delivery that goes beyond instrumental, vocal and ensemble tuition. The Music Therapy provision successfully engages with partner organisations through the Music Therapy Partnership that meets termly, the Early Years provision draws on the expertise of the Early Years Steering Group and CMST already works closely with key stakeholders and partner organisations. The Head of Service is working closely with Falmouth University and exploring options with Music Colleges to develop a strategic partnership that develops the workforce for the future: CMST hopes to develop a formal training programme. CMST continues to work closely with the Hub Lead Organisation, AsOne, to ensure that the funding provided by the Department for Education(administered by Arts Council England) and Cornwall Schools Forum is used most effectively to support children and young people. This requires feedback and challenge as and when appropriate.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024

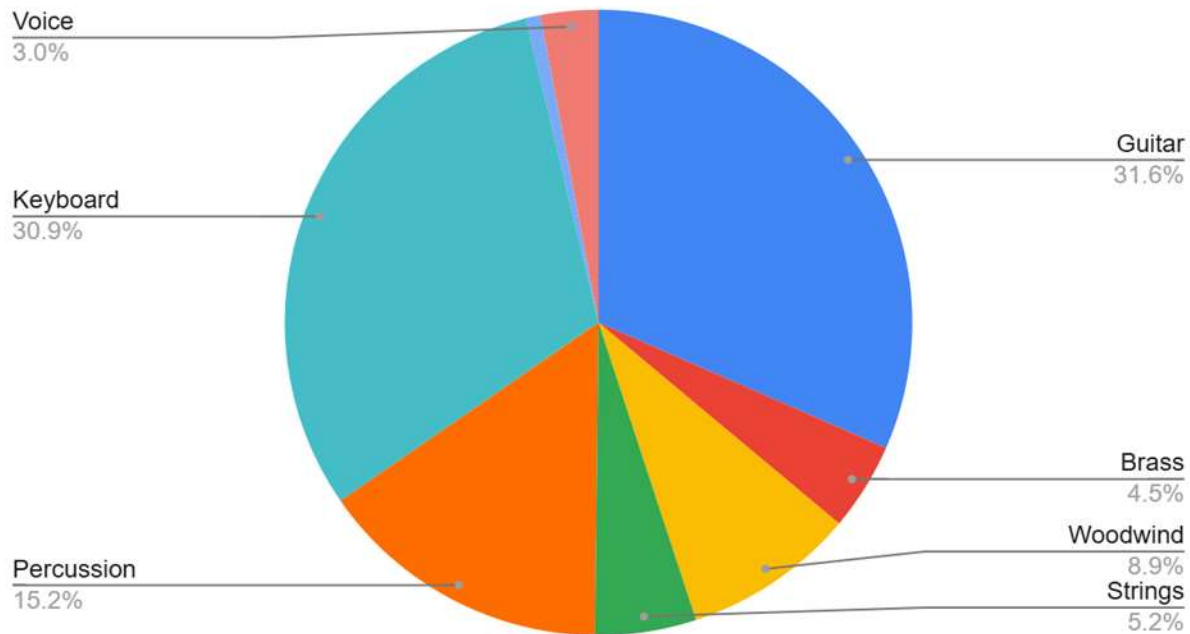
Delivery

For a comprehensive breakdown of CMST delivery please use the hyperlink below to access a graphical representation of delivery by area, discipline and instrument:

<https://drive.google.com/file/d/1im42MHU2zdMdkALmBqiazXEggJ6AF8SI/view?usp=sharing>

Two important charts from this presentation are lifted out below which evidence the earlier statements of trends of delivery.

Percentage of Instrumental Delivery

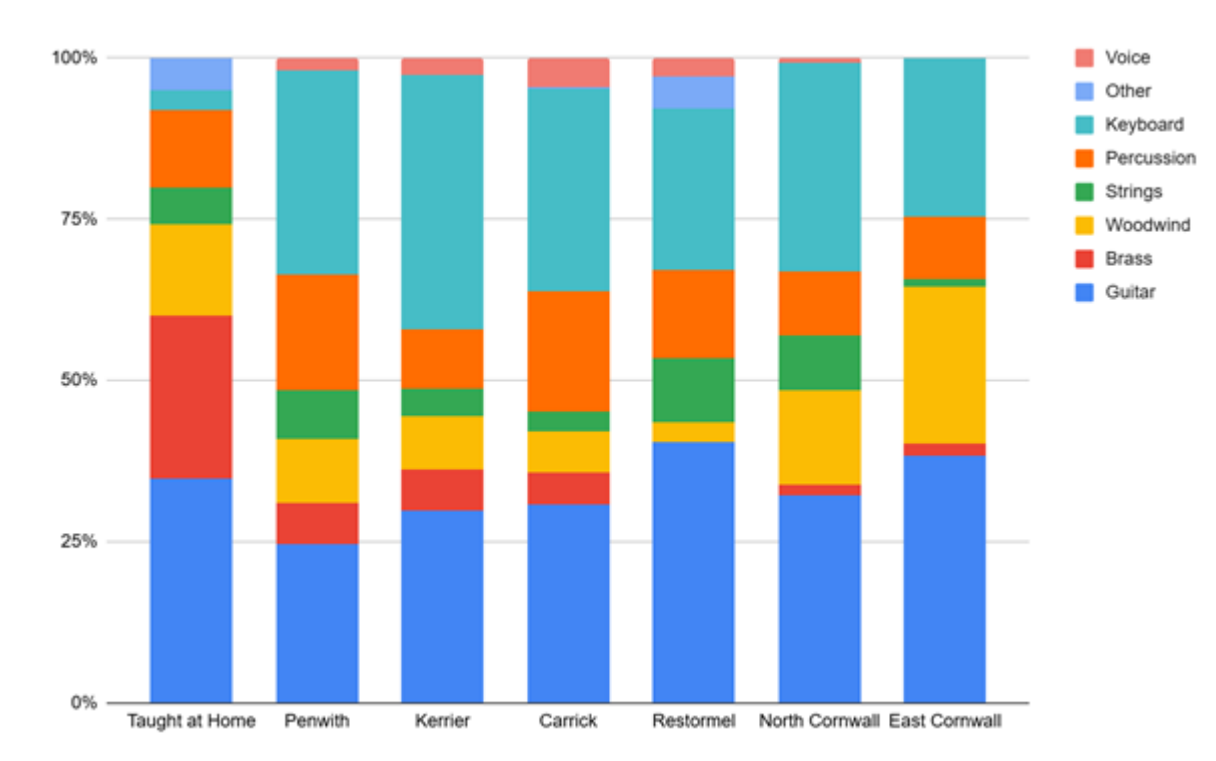


The above shows the total of instrumental and vocal delivery by percentage. With the below chart analysing this by geographic area.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024

ACHIEVEMENT AND PERFORMANCE



This data analysis is important because when reviewing the overall performance of CMST through the financial reports, levels of delivery are showing a positive trend. However this is supported by the increased provision of Guitar, Keyboard and Percussion which is to be welcomed. The negative side of this is the reduction in other instrumental families and instruments. These are the backbone to the ensemble network which now faces challenges due to the reduction of pupil numbers.

This presents a complex situation where staffing numbers are in decline and so are the pupils and both need each other to support growth. One solution would be to better target Whole Class Ensemble Tuition, otherwise known as School Projects or First Access, so that where there are already staff who can provide these services in the areas of need they do so with the ability to offer progression. The opposing solution would be to proactively recruit staff to develop the instrumental area of need and develop a sustainable model of delivery. The funding for this area of work is controlled by AsOne.

It will more than likely require CMST to look to its financial resources to address this area for development and hope that match funding can also be found to enhance this provision.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2024**

ACHIEVEMENT AND PERFORMANCE

Innovation

CMST constantly reviews all areas of process and delivery to understand what could be done better. One example of this is the opportunity to appraise pupils in an accessible, meaningful and supportive way. Mastering Music Awards have been launched as one solution to support this with a digital appraisal undertaken for students. CMST staff support their learners through performance that is appraised by an independent assessor and if successful learners are awarded a level of Copper, Tin, Gold or Platinum that is accompanied by a certificate and pin badge. This has helped improve nominations for the established Pupil of the Month award that in turn helps identify a CMST Pupil of the Year, celebrated at the end of every academic year.

The positive news on this and much more can be found via the termly newsletters that are published on the CMST website: <https://cmst.co.uk/news>

Finance and Investment

CMST has been able to dedicate some financial reserves to investment. After careful consideration and due diligence, an amount has been invested with M and G Securities. The return on investment has already been healthy allowing for the interest earned to be used for development work in the North of Cornwall.

Looking Forward

The next financial year will cover a milestone for CMST, the 10 year anniversary of the Charity which was established in late 2014. Plans are already underway to put on multiple events across Cornwall, culminating in a grand concert at the Hall for Cornwall. This showcase will present the wide breadth of service provision, exceptional talent from the children and young people of Cornwall and say a big thank you to all that have supported the organisation thus far.

FINANCIAL REVIEW

Financial position

The Company's principal source of income is music tuition fees which were £1,500,820 (2023: £1,389,604). All of Cornwall Music Trust's expenditure was spent in advancement of its charitable objectives.

The net incoming resources for the year were £40,426 (2023: outgoing resources £1,904).

Investment policy and objectives

The trustees have reviewed the social, environmental and ethical considerations when setting an investment policy and making investments.

The year end market value of the investment portfolio was £305,713. During the year, the trustees made the decision to invest £300k of the charity's free reserves with M & G Securities.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024

FINANCIAL REVIEW

Reserves policy

The reserves policy of Cornwall Music Service Trust has been reviewed by the Board of Trustees during the year. Free reserves are regarded as those unrestricted funds that have not been designated for any specific purpose. At 31 August 2024 the Company had free reserves of £150,102 (2023: £316,075).

The Board of Trustees have carefully considered the level of reserves appropriate to be held by Cornwall Music Service Trust necessary for contingencies and movements in working capital. Having regard to the likelihood of financial risks and mitigating factors including its group structure, it considers the maximum level of free reserves required to be the equivalent of 2 months of gross salary costs, approximately 17% of turnover. The trustees aim is to increase this to 4 months of gross salaries in the light of the effects of the Covid-19 pandemic.

The Board of Trustees have passed this proposal and Cornwall Music Service Trust is working towards accumulating the free reserves aforementioned.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The total reserves at 31st August 2024 were £674,110 (2023: £633,684). This includes free reserves of £150,102 (2023: £316,075), designated reserves of £502,576 (2023: £302,394), and restricted reserves of £21,432 (2023: £15,215).

The deficit fund, which is a designated fund, totals £500,000. It is held to ensure that the charity has sufficient free reserves outlined in the reserves policy.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2024**

FUTURE PLANS

Cornwall Music Service Trusts "Potential Future Activities" (detailed in its Business Plan), as drawn up by the Senior Management Team, after consultation with the key stakeholders, and as approved by the Board of Trustees, provides the focus for the future development of Cornwall Music Service Trust. In particular, the future activities embrace the aspirations of Cornwall Music Service Trust for teaching developments, the growth of marketing, pupil numbers, enhanced staffing and the development of its delivery.

- Expand current delivery to outreach to further educational establishments and other organisations
- Create a strong cohesion with Truro School thus providing a Music Centre for Cornwall
- Explore & develop Music Technology education and digital music provision
- Create an internal assessment programme for students for all musical disciplines
- Provide a highly professional service to schools, Further Education and Higher Education and the wider community
- Work closely with national and international musicians, educators, conductors and clinicians to provide the highest quality masterclasses and holiday music schools
- Explore funding for bespoke programmes of work
- Create an e-learning environment to support the initial stages of music education
- Develop Early Years Music Provision and Training for Early Years practitioners
- Nationwide consultancy on Music Service Trust Formation
- Online delivery via Skype and Online Orchestra software in collaboration with Falmouth University to provide delivery to the hardest to reach areas and connect musicians that are isolated
- Bespoke workshops and projects for schools and the wider community.
- Weekend and evening workshops, etc - ie - Saturday morning theory classes
- Summer school and holiday courses
- Digital technology projects
- Performance opportunities at all levels; large scale and smaller settings - CMST cluster performances - bring groups of schools together for a massed performance.
- CMST Schools Prom - An annual performance to all primary schools using CMST ensembles giving an educational experience and demonstration encouraging new young people to learn
- Advice on purchase of musical instruments and resources in school
- One off supply days - music cover
- Write new performance and teaching material - this could be for individual instruments or for small ensembles. It could then be sold to pupils both in Cornwall and elsewhere as CMST Publications.
- Twilight training sessions for teachers on a whole variety of musical techniques, skills and tasks. This might include setting up an ensemble, conducting skills, composition starting points, working towards a performance

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2024**

- CPD presentations to Primary and Secondary Initial Teacher Training bodies - annual
- Secondary Head of Music Departments meetings and conferences
- Make the Cornwall Youth Jazz Festival an annual event
- Make the Cornwall Horn Festival an annual event
- Develop and expand Music Therapy provision
- Longer term; to look for funding to establish 'Music Centres' in the West and North & East of Cornwall along with collaborating with Truro School to find a central Music Centre
- After establishment of Music Centres appoint Area Managers to coordinate delivery in these areas
- Review management structure of CMST
- Review business plan and 5 year financial forecast in line with the above future plans as an ongoing activity
- Create a strong partnership with the City of London Symphonia including support in delivering their educational outreach programme
- Work closely and advise Trinity College of London or another national Music College on various aspects of delivery including but not exclusively the research element into the examination process and an online alternative
- Advise nationally on Early Years Music Education

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on the 16 October 2014 and registered as a charity on 15 December 2014. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Charity constitution

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Board of Trustees are elected to serve for a period of three years after which they must be re-elected at the next General Meeting. All members of the Board of Trustees give their time voluntarily and received no benefits from the charity. As Cornwall Music Service Trust has many roles to play in the educational sector the Trustees have been selected for the wide and diverse skill base they have to offer. In an effort to maintain this broad skill mix, members of the Board of Trustees are requested to provide a list of their skills (and update it each year) and in the event of particular skill being lost due to retirements, individuals are approached to offer themselves for election to the Board of Trustees.

Recruitment and appointment of new trustees

Trustees are nominated and appointed by the Board of Trustees. Appointments are for a period of three years which is renewable. The induction of new Trustees is the responsibility of the Chair and the Head of Service. All trustees, due to the nature of the work of Cornwall Music Service Trust, have enhanced Disclosure & Barring Service checks and are routinely updated on Safeguarding for Children and Vulnerable Adults.

There were no new Trustees appointed during the year.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Board of Trustees for Cornwall Music Service Trust, which meets at least three times a year, are responsible for the general policy and strategic direction of Cornwall Music Service Trust. In addition the Board of Trustees are legally responsible for the overall management and control of Cornwall Music Service Trust. The work of implementing most of their policies and day to day management is delegated to the Head of Service, supported by his Senior Team Managers. At present there are 9 Trustees from a variety of professional backgrounds relevant to the work of Cornwall Music Service Trust who form the Board of Trustees. A Clerk to the Board of Trustees, who is not a Trustee, is responsible for ensuring timely agendas and accurate minutes for all Trustee meetings under the guidance of the Chair of Trustees and Head of Service.

National benchmarking is used in setting pay for key management personnel but always with the Charity's affordability in mind.

Related parties

CMST will partner with a number of local organisations. These include the following:

Cornwall Music Education Hub for curriculum leadership, ensemble leadership, ensemble coordination, ensemble staffing, first access management and liaison, first access provision and minority instrument scheme delivery. Cornwall Council Local Authority for SEN delivery and inclusion delivery (disadvantaged families remissions funded). Cornwall's Schools for ensemble support, classroom support and curriculum delivery. Further Education Colleges & Higher Education Institutions for strategic links for service development and training of music teachers

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Cornwall Music Service 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

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.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024

AUDITORS

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

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.

Approved by order of the board of trustees on and signed on its behalf by:

.....
R M J Thomas - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CORNWALL MUSIC SERVICE TRUST**

Opinion

We have audited the financial statements of Cornwall Music Service Trust (the 'charitable company') for the year ended 31 August 2024 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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
CORNWALL MUSIC SERVICE 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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.

Auditors' 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:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CORNWALL MUSIC SERVICE TRUST**

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

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.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Auditors.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CORNWALL MUSIC SERVICE 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. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

James Pearce FCA (Senior Statutory Auditor)
for and on behalf of TC Group
Statutory Auditors
The Old Carriage Works
Moresk Road
Truro
Cornwall
TR1 1DG

Date:

CORNWALL MUSIC SERVICE TRUST

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

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	8,321	21,905	30,226	75,353
Charitable activities	6				
Other Education		1,673,356	-	1,673,356	1,548,294
Other trading activities	4	2,135	-	2,135	8,481
Investment income	5	9,455	-	9,455	3,391
Other income	7	66,031	-	66,031	99,547
Total		<u>1,759,298</u>	<u>21,905</u>	<u>1,781,203</u>	<u>1,735,066</u>
EXPENDITURE ON					
Raising funds	8	1,583	-	1,583	8,627
Charitable activities	9				
Other Education		<u>1,729,219</u>	<u>15,688</u>	<u>1,744,907</u>	<u>1,728,343</u>
Total		<u>1,730,802</u>	<u>15,688</u>	<u>1,746,490</u>	<u>1,736,970</u>
Net gains on investments		<u>5,713</u>	<u>-</u>	<u>5,713</u>	<u>-</u>
NET INCOME/(EXPENDITURE)		34,209	6,217	40,426	(1,904)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>618,469</u>	<u>15,215</u>	<u>633,684</u>	<u>635,588</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>652,678</u></u>	<u><u>21,432</u></u>	<u><u>674,110</u></u>	<u><u>633,684</u></u>

The notes form part of these financial statements

CORNWALL MUSIC SERVICE TRUST

BALANCE SHEET
31 AUGUST 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Intangible assets	16	1,833	-	1,833	3,667
Tangible assets	17	10,016	-	10,016	10,644
Investments	18	<u>305,713</u>	<u>-</u>	<u>305,713</u>	<u>-</u>
		317,562	-	317,562	14,311
CURRENT ASSETS					
Stocks	19	-	-	-	30
Debtors	20	197,126	-	197,126	112,333
Cash at bank		<u>202,599</u>	<u>21,432</u>	<u>224,031</u>	<u>553,933</u>
		399,725	21,432	421,157	666,296
CREDITORS					
Amounts falling due within one year	21	<u>(64,609)</u>	<u>-</u>	<u>(64,609)</u>	<u>(46,923)</u>
NET CURRENT ASSETS		<u>335,116</u>	<u>21,432</u>	<u>356,548</u>	<u>619,373</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>652,678</u>	<u>21,432</u>	<u>674,110</u>	<u>633,684</u>
NET ASSETS		<u><u>652,678</u></u>	<u><u>21,432</u></u>	<u><u>674,110</u></u>	<u><u>633,684</u></u>
FUNDS	24				
Unrestricted funds:					
General fund				150,102	316,075
Deficit Reserve - Designated				500,000	300,000
Mark Wilkin Memorial Bursary - Designated				1,646	2,394
Superstrings Group				<u>930</u>	<u>-</u>
				<u>652,678</u>	<u>618,469</u>
Restricted funds				<u>21,432</u>	<u>15,215</u>
TOTAL FUNDS				<u><u>674,110</u></u>	<u><u>633,684</u></u>

The notes form part of these financial statements

CORNWALL MUSIC SERVICE TRUST

BALANCE SHEET - continued

31 AUGUST 2024

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

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

.....
R M J Thomas - Trustee

CORNWALL MUSIC SERVICE TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	22,605	84,844
Tax credits		<u>(57,076)</u>	<u>(59,710)</u>
Net cash (used in)/provided by operating activities		<u>(34,471)</u>	<u>25,134</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		-	(5,500)
Purchase of tangible fixed assets		(4,886)	(11,273)
Purchase of fixed asset investments		(300,000)	-
Interest received		<u>9,455</u>	<u>3,391</u>
Net cash used in investing activities		<u>(295,431)</u>	<u>(13,382)</u>
 Cash flows from financing activities			
Loan repayments in year		<u>-</u>	<u>(164,500)</u>
Net cash provided by/(used in) financing activities		<u>-</u>	<u>(164,500)</u>
		<u>-</u>	<u>-</u>
 Change in cash and cash equivalents in the reporting period		(329,902)	(152,748)
Cash and cash equivalents at the beginning of the reporting period	2	<u>553,933</u>	<u>706,681</u>
 Cash and cash equivalents at the end of the reporting period	2	<u>224,031</u>	<u>553,933</u>

The notes form part of these financial statements

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2024

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	40,426	(1,904)
Adjustments for:		
Depreciation charges	7,348	6,232
Gains on investments	(5,713)	-
Interest received	(9,455)	(3,391)
Decrease/(increase) in stocks	30	(30)
(Increase)/decrease in debtors	(27,717)	92,706
Increase/(decrease) in creditors	<u>17,686</u>	<u>(8,769)</u>
Net cash provided by operations	<u><u>22,605</u></u>	<u><u>84,844</u></u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash and cash equivalents	<u>224,031</u>	<u>553,933</u>
Total cash and cash equivalents	<u><u>224,031</u></u>	<u><u>553,933</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/9/23 £	Cash flow £	At 31/8/24 £
Net cash			
Cash at bank	<u>553,933</u>	<u>(329,902)</u>	<u>(224,031)</u>
	<u>553,933</u>	<u>(329,902)</u>	<u>224,031</u>
Total	<u><u>553,933</u></u>	<u><u>(329,902)</u></u>	<u><u>224,031</u></u>

The notes form part of these financial statements

CORNWALL MUSIC SERVICE TRUST

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

1. COMPANY INFORMATION

The charitable company is incorporated in England and Wales and is limited by guarantee and does not have a share capital. In the event of the Company being wound up each member is liable to contribute a sum not exceeding £1. There were 9 members at 31 August 2024 (2023: 11).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

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

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

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

Key sources of estimation uncertainty

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

Valuation of fixed asset investments

Fixed asset investments are included in the accounts at a valuation determined annually by the investment portfolio managers. The valuation of current asset investments are based on observable market prices. Such valuations are subjective and prone to changes in the market and other economic factors.

Useful economic life of tangible fixed assets

The charity makes an estimate for the useful economic life of tangible fixed assets taking into account the age, condition, residual value and the expectations for the usage of each class of asset and applies a policy to charge depreciation on a systematic basis over that useful life, taking into account any impairment that has been identified.

Critical judgements

The trustees do not believe there are any critical judgements that have been made in applying the charity's accounting policies.

Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 AUGUST 2024**

2. ACCOUNTING POLICIES - continued

Income

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Fee income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts.

Expenditure

Resources expended are accounted for on an accruals basis, inclusive of irrecoverable VAT. Costs of generating funds are those costs incurred in attracting voluntary income. Charitable activities comprise expenditure associated with teaching and school activities and include both direct and support costs.

Governance costs are those incurred in the governance of the charity and its assets and are associated with constitutional and statutory requirements.

Intangible fixed assets other than goodwill

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

Website	- 33% on cost
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Tangible fixed assets

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

Instruments	- 25% 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 the statement of financial activities.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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 (if any).

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).

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 AUGUST 2024**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

Designated funds has been earmarked by the trustees to cover staff salaries for the period of 2 months should there be a temporary drop in income.

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.

Financial instruments

The charity 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 charity's balance sheet when the charity 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.

Basic financial assets

Basic financial assets, which include stock, trade debtors, other debtors, and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present

CORNWALL MUSIC SERVICE TRUST

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

2. ACCOUNTING POLICIES - continued

Financial instruments

value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations and gifts	9,776	39,120
Gift aid	3,029	7,949
Grants	<u>17,421</u>	<u>28,284</u>
	<u>30,226</u>	<u>75,353</u>

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

	2024	2023
	£	£
Early Years Music Education	-	17,784
BBC Children in Need Music Therapy	-	500
Cornwall Community Fund - Music Therapy	-	10,000
Headley Trust	1,765	-
The National Foundation for Youth Music	14,906	-
Ruth Burden Community Trust	<u>750</u>	<u>-</u>
	<u>17,421</u>	<u>28,284</u>

CORNWALL MUSIC SERVICE TRUST

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

3. DONATIONS AND LEGACIES - continued

Early Years Music Education - a grant has been received for £Nil (2023: £17,784) to support Early Years Music Education.

BBC Children In Need Music Therapy - a grant has been received for £Nil (2023: £500) to support Music Therapy provision.

Cornwall Community Fund - Music Therapy - a grant has been received for £Nil (2023: £10,000) to support Music Therapy delivery.

Headley Trust - grants have been received for £1,765 (2023: £Nil) to subsidise music tuition lessons.

The National Foundation for Youth Music - grants have been received for £14,906 (2023: £Nil) to support Early Years Music Education.

Ruth Burden Community Trust - a grant has been received for £750 (2023: £Nil) to support Early Years Music Education.

4. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
T-shirt income	1,456	440
Goods and services recharged	<u>679</u>	<u>8,041</u>
	<u>2,135</u>	<u>8,481</u>

5. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	6,550	3,391
Fixed asset investment income	<u>2,905</u>	<u>-</u>
	<u>9,455</u>	<u>3,391</u>

CORNWALL MUSIC SERVICE TRUST

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

6. INCOME FROM CHARITABLE ACTIVITIES

		2024	2023
	Activity	£	£
Music tuition fees	Other Education	1,500,820	1,389,604
Music therapy fees	Other Education	<u>172,536</u>	<u>158,690</u>
		<u><u>1,673,356</u></u>	<u><u>1,548,294</u></u>

7. OTHER INCOME

	2024	2023
	£	£
Other income	<u><u>66,031</u></u>	<u><u>99,547</u></u>

Other income relates to the receipt of Orchestra Tax Relief claimed from HMRC, event and workshop income, and miscellaneous income.

8. RAISING FUNDS

Other trading activities

	2024	2023
	£	£
Opening stock	30	-
Purchases	1,553	8,657
Closing stock	<u>-</u>	<u>(30)</u>
	<u><u>1,583</u></u>	<u><u>8,627</u></u>

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 10) £	Support costs (see note 11) £	Totals £
Other Education	<u><u>1,636,909</u></u>	<u><u>107,998</u></u>	<u><u>1,744,907</u></u>

CORNWALL MUSIC SERVICE TRUST

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

10. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024	2023
	£	£
Staff costs	1,571,830	1,541,765
Premises costs	13,974	13,674
Finance costs	2,837	16,177
Bad debts written off	40,920	50,000
Depreciation	<u>7,348</u>	<u>6,232</u>
	<u>1,636,909</u>	<u>1,627,848</u>

11. SUPPORT COSTS

	Other	Governance	Totals
	£	costs	£
Other Education	<u>93,598</u>	<u>14,400</u>	<u>107,998</u>

Support costs, included in the above, are as follows:

	2024	2023
	Other	Total
	Education	activities
	£	£
Insurance	4,976	3,618
Postage and stationery	1,313	4,457
Sundries	3,378	4,914
Subscriptions and memberships	4,450	3,905
Advertising and marketing	2,844	2,146
IT software and consumables	21,042	16,489
Use of funds towards tuition	1,108	2,929
Ensemble expenses	7,728	6,075
Workshop expenses	688	140
Inset expenses	5,360	3,342
Staff benefits	33,716	31,020
Subcontractors	3,879	117
Travel expenses	21	436
Legal and professional fees	3,095	3,663
Event costs	-	1,100
Staff training	-	301
Auditors' remuneration	14,400	5,340
Accountancy and legal fees	<u>-</u>	<u>10,503</u>
	<u>107,998</u>	<u>100,495</u>

CORNWALL MUSIC SERVICE TRUST

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

12. NET INCOME/(EXPENDITURE)

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

	2024	2023
	£	£
Auditors' remuneration	14,400	5,340
Depreciation - owned assets	5,514	4,399
Website amortisation	<u>1,834</u>	<u>1,833</u>

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2024 nor for the year ended 31 August 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2024 nor for the year ended 31 August 2023.

14. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	1,434,301	1,409,734
Social security costs	92,182	87,740
Other pension costs	<u>45,347</u>	<u>44,291</u>
	<u>1,571,830</u>	<u>1,541,765</u>

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

	2024	2023
Teaching	110	110
Administration	<u>3</u>	<u>3</u>
	<u>113</u>	<u>113</u>

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

	2024	2023
£60,001 - £70,000	-	1
£70,001 - £80,000	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

CORNWALL MUSIC SERVICE TRUST

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

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	35,970	39,383	75,353
Charitable activities			
Other Education	1,548,294	-	1,548,294
Other trading activities	8,481	-	8,481
Investment income	3,391	-	3,391
Other income	<u>99,547</u>	<u>-</u>	<u>99,547</u>
Total	<u>1,695,683</u>	<u>39,383</u>	<u>1,735,066</u>
EXPENDITURE ON			
Raising funds	8,627	-	8,627
Charitable activities			
Other Education	<u>1,655,617</u>	<u>72,726</u>	<u>1,728,343</u>
Total	<u>1,664,244</u>	<u>72,726</u>	<u>1,736,970</u>
NET INCOME/(EXPENDITURE)	31,439	(33,343)	(1,904)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>587,030</u>	<u>48,558</u>	<u>635,588</u>
TOTAL FUNDS CARRIED FORWARD	<u>618,469</u>	<u>15,215</u>	<u>633,684</u>

16. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 September 2023 and 31 August 2024	<u>8,860</u>
AMORTISATION	
At 1 September 2023	5,193
Charge for year	<u>1,834</u>
At 31 August 2024	<u>7,027</u>
NET BOOK VALUE	
At 31 August 2024	<u>1,833</u>
At 31 August 2023	<u>3,667</u>

CORNWALL MUSIC SERVICE TRUST

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

17. TANGIBLE FIXED ASSETS

	Instruments £	Computer equipment £	Totals £
COST			
At 1 September 2023	17,331	3,335	20,666
Additions	<u>1,530</u>	<u>3,356</u>	<u>4,886</u>
At 31 August 2024	<u>18,861</u>	<u>6,691</u>	<u>25,552</u>
DEPRECIATION			
At 1 September 2023	7,173	2,849	10,022
Charge for year	<u>4,640</u>	<u>874</u>	<u>5,514</u>
At 31 August 2024	<u>11,813</u>	<u>3,723</u>	<u>15,536</u>
NET BOOK VALUE			
At 31 August 2024	<u>7,048</u>	<u>2,968</u>	<u>10,016</u>
At 31 August 2023	<u>10,158</u>	<u>486</u>	<u>10,644</u>

18. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
Additions	300,000
Revaluations	<u>5,713</u>
At 31 August 2024	<u>305,713</u>
NET BOOK VALUE	
At 31 August 2024	<u>305,713</u>
At 31 August 2023	<u>-</u>

There were no investment assets outside the UK.

Cost or valuation at 31 August 2024 is represented by:

	Listed investments £
Valuation in 2024	5,713
Cost	<u>300,000</u>
	<u>305,713</u>

CORNWALL MUSIC SERVICE TRUST

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

18. FIXED ASSET INVESTMENTS - continued

If the listed investments had not been revalued they would have been included at the following historical cost:

	2024	2023
	£	£
Cost	<u>300,000</u>	<u>-</u>

Fixed asset investments were valued on an open market basis on 31 August 2024 by M & G Securities.

All investments are listed on the UK stock exchange.

19. STOCKS

	2024	2023
	£	£
Stocks	<u>-</u>	<u>30</u>

20. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	73,197	47,632
Other debtors	-	1,228
Tax	116,786	59,710
Prepayments	<u>7,143</u>	<u>3,763</u>
	<u>197,126</u>	<u>112,333</u>

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	8,632	5,866
Social security and other taxes	15,161	15,653
Other creditors	7,594	6,762
Accrued expenses	<u>33,222</u>	<u>18,642</u>
	<u>64,609</u>	<u>46,923</u>

CORNWALL MUSIC SERVICE TRUST

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

22. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	<u>13,674</u>	<u>13,674</u>

Payments in connection with operating leases during the year totalled £13,674 (2023: £13,674). At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases.

CORNWALL MUSIC SERVICE TRUST

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

23. MOVEMENT IN FUNDS

	At 1/9/23 £	Net movement in funds £	Transfers between funds £	At 31/8/24 £
Unrestricted funds				
General fund	316,075	34,027	(200,000)	150,102
Deficit Reserve - Designated	300,000	-	200,000	500,000
Mark Wilkin Memorial Bursary - Designated	2,394	(748)	-	1,646
Superstrings Group	<u>-</u>	<u>930</u>	<u>-</u>	<u>930</u>
	618,469	34,209	-	652,678
Restricted funds				
Early Years Music Education	2,556	(2,302)	-	254
Radford Trust	824	(360)	-	464
Cornwall Community Fund - Early Years	114	-	-	114
Music Therapy for Holly Martin	886	(1,260)	-	(374)
General Music Therapy Fund	835	2,032	-	2,867
Cornwall Community Fund - for Music Therapy and Inclusion Project	10,000	(7,885)	-	2,115
Headley Trust	-	1,765	-	1,765
Pitch up and Sing Fund	-	(53)	-	(53)
Cornwall Community Foundation - Ruth Burden Community Trust	-	750	-	750
The National Foundation for Youth Music	<u>-</u>	<u>13,530</u>	<u>-</u>	<u>13,530</u>
	<u>15,215</u>	<u>6,217</u>	<u>-</u>	<u>21,432</u>
TOTAL FUNDS	<u><u>633,684</u></u>	<u><u>40,426</u></u>	<u><u>-</u></u>	<u><u>674,110</u></u>

CORNWALL MUSIC SERVICE TRUST

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

23. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,756,962	(1,728,648)	5,713	34,027
Mark Wilkin Memorial Bursary - Designated	-	(748)	-	(748)
Superstrings Group	<u>2,336</u>	<u>(1,406)</u>	<u>-</u>	<u>930</u>
	1,759,298	(1,730,802)	5,713	34,209
Restricted funds				
Early Years Music Education	1,376	(3,678)	-	(2,302)
Radford Trust	-	(360)	-	(360)
Music Therapy for Holly Martin	481	(1,741)	-	(1,260)
General Music Therapy Fund	2,323	(291)	-	2,032
Cornwall Community Fund - for Music Therapy and Inclusion Project	-	(7,885)	-	(7,885)
Headley Trust	1,765	-	-	1,765
Pitch up and Sing Fund	1,680	(1,733)	-	(53)
Cornwall Community Foundation - Ruth Burden Community Trust	750	-	-	750
The National Foundation for Youth Music	<u>13,530</u>	<u>-</u>	<u>-</u>	<u>13,530</u>
	<u>21,905</u>	<u>(15,688)</u>	<u>-</u>	<u>6,217</u>
TOTAL FUNDS	<u><u>1,781,203</u></u>	<u><u>(1,746,490)</u></u>	<u><u>5,713</u></u>	<u><u>40,426</u></u>

CORNWALL MUSIC SERVICE TRUST

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

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/22 £	Net movement in funds £	Transfers between funds £	At 31/8/23 £
Unrestricted funds				
General fund	282,589	33,486	-	316,075
Deficit Reserve - Designated	300,000	-	-	300,000
Mark Wilkin Memorial Bursary - Designated	<u>4,441</u>	<u>(2,047)</u>	<u>-</u>	<u>2,394</u>
	587,030	31,439	-	618,469
Restricted funds				
Early Years Music Education	34,704	(27,444)	(4,704)	2,556
Children in Need	2,149	(2,149)	-	-
MusicNet East	10,000	(10,000)	-	-
Radford Trust	1,705	(881)	-	824
Cornwall Community Fund - Early Years	-	(4,590)	4,704	114
Music Therapy for Holly Martin	-	886	-	886
General Music Therapy Fund	-	835	-	835
Cornwall Community Fund - for Music Therapy and Inclusion Project	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
	<u>48,558</u>	<u>(33,343)</u>	<u>-</u>	<u>15,215</u>
TOTAL FUNDS	<u><u>635,588</u></u>	<u><u>(1,904)</u></u>	<u><u>-</u></u>	<u><u>633,684</u></u>

CORNWALL MUSIC SERVICE TRUST

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

23. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,695,683	(1,662,197)	33,486
Mark Wilkin Memorial Bursary - Designated	<u>-</u>	<u>(2,047)</u>	<u>(2,047)</u>
	1,695,683	(1,664,244)	31,439
Restricted funds			
Early Years Music Education	17,784	(45,228)	(27,444)
Children in Need	1,350	(3,499)	(2,149)
MusicNet East	-	(10,000)	(10,000)
Radford Trust	1	(882)	(881)
Cornwall Community Fund - Early Years	-	(4,590)	(4,590)
Music Therapy for Holly Martin	2,556	(1,670)	886
General Music Therapy Fund	7,692	(6,857)	835
Cornwall Community Fund - for Music Therapy and Inclusion Project	<u>10,000</u>	<u>-</u>	<u>10,000</u>
	<u>39,383</u>	<u>(72,726)</u>	<u>(33,343)</u>
TOTAL FUNDS	<u><u>1,735,066</u></u>	<u><u>(1,736,970)</u></u>	<u><u>(1,904)</u></u>

CORNWALL MUSIC SERVICE TRUST

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

23. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/9/22 £	Net movement in funds £	Transfers between funds £	At 31/8/24 £
Unrestricted funds				
General fund	282,589	67,513	(200,000)	150,102
Deficit Reserve - Designated	300,000	-	200,000	500,000
Mark Wilkin Memorial Bursary - Designated	4,441	(2,795)	-	1,646
Superstrings Group	-	930	-	930
	587,030	65,648	-	652,678
Restricted funds				
Early Years Music Education	34,704	(29,746)	(4,704)	254
Children in Need	2,149	(2,149)	-	-
MusicNet East	10,000	(10,000)	-	-
Radford Trust	1,705	(1,241)	-	464
Cornwall Community Fund - Early Years	-	(4,590)	4,704	114
Music Therapy for Holly Martin	-	(374)	-	(374)
General Music Therapy Fund	-	2,867	-	2,867
Cornwall Community Fund - for Music Therapy and Inclusion Project	-	2,115	-	2,115
Headley Trust	-	1,765	-	1,765
Pitch up and Sing Fund	-	(53)	-	(53)
Cornwall Community Foundation - Ruth Burden Community Trust	-	750	-	750
The National Foundation for Youth Music	-	13,530	-	13,530
	48,558	(27,126)	-	21,432
TOTAL FUNDS	<u>635,588</u>	<u>38,522</u>	<u>-</u>	<u>674,110</u>

CORNWALL MUSIC SERVICE TRUST

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

23. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	3,452,645	(3,390,845)	5,713	67,513
Mark Wilkin Memorial Bursary - Designated	-	(2,795)	-	(2,795)
Superstrings Group	<u>2,336</u>	<u>(1,406)</u>	<u>-</u>	<u>930</u>
	3,454,981	(3,395,046)	5,713	65,648
Restricted funds				
Early Years Music Education	19,160	(48,906)	-	(29,746)
Children in Need	1,350	(3,499)	-	(2,149)
MusicNet East	-	(10,000)	-	(10,000)
Radford Trust	1	(1,242)	-	(1,241)
Cornwall Community Fund - Early Years	-	(4,590)	-	(4,590)
Music Therapy for Holly Martin	3,037	(3,411)	-	(374)
General Music Therapy Fund	10,015	(7,148)	-	2,867
Cornwall Community Fund - for Music Therapy and Inclusion Project	10,000	(7,885)	-	2,115
Headley Trust	1,765	-	-	1,765
Pitch up and Sing Fund	1,680	(1,733)	-	(53)
Cornwall Community Foundation - Ruth Burden Community Trust	750	-	-	750
The National Foundation for Youth Music	<u>13,530</u>	<u>-</u>	<u>-</u>	<u>13,530</u>
	<u>61,288</u>	<u>(88,414)</u>	<u>-</u>	<u>(27,126)</u>
TOTAL FUNDS	<u><u>3,516,269</u></u>	<u><u>(3,483,460)</u></u>	<u><u>5,713</u></u>	<u><u>38,522</u></u>

Details of the purpose of the restricted funds is as follows:

Early Years Music Education: Donation from James Sargent (Trustee) for Early Years Music Education Service.

Children in Need: Funding for the provision of Music Therapy primarily for children in hospital.

MusicNet East: Funding to provide band based music project at Falmouth School for children in challenging circumstances.

Cornwall Council Music Therapy: Funding to support the requisition of instruments required for Music Therapy delivery.

Radford Trust Covid grant: Funding to support children and young people who were financially disadvantaged due to COVID-19 and otherwise would not be able to continue receiving music education.

Arts Council Culture Recovery Fund: Funding to support core costs, including salary top up and reflatting reserves due to restrictions encountered because of COVID-19.

CORNWALL MUSIC SERVICE TRUST

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

23. MOVEMENT IN FUNDS - continued

Cornwall Community Fund - Early Years: Funding for the provision of Music to children specifically in the early years (0-5s).

Music Therapy for Holly Martin: Ringfenced fund for music therapy support to Holly Martin.

General Music Therapy Fund: Funding to be used only for the provision of Music Therapy.

Cornwall Community Fund - for Music Therapy and Inclusion Project: Funding obtained by Equality, Diversity and Inclusion lead for a bespoke therapy and inclusion project.

Headley Trust: Grant received for the purpose of subsidising tuition lessons.

Pitch Up and Sing Fund: Donations received ringfenced for music therapy dementia group costs.

Cornwall Community Foundation - Ruth Burden Community Trust:

The National Foundation for Youth Music: Funding to be used for the Early Years Baby Sounds project.

Included within the charity's funds is a revaluation reserve of £5,713 (2023: £nil).

24. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £45,347 (2023: £44,291).

Included in creditors at the year end was £7,594 (2023: £6,762) in respect of the defined contribution pension scheme.

25. RELATED PARTY DISCLOSURES

During the year Cornwall Music Service Trust received donations from trustees and key management totalling £236 (2023: £17,890).

During the year Cornwall Music Service Trust received fixed assets with the value of £1,410 from an entity in which a trustee is the chair. The amount paid was £350 with £1,060 treated as a donation.

During the year Cornwall Music Service Trust received income totalling £11,135 (2023: £8,550) from entities in which there are common directors/trustees.

During the year Cornwall Music Service Trust incurred expenses totalling £15,424 (2023: £17,711) with entities in which there are common directors/trustees.

During the year a close family member of key management personnel received wages of £16,700 (2023: £23,754).

During the year Cornwall Music Service Trust invested £400k with M & G Securities of which £100k belongs to The James Sargent Early Years Music Education Trust. This amount is not included in Cornwall Music Service Trust's accounts.

CORNWALL MUSIC SERVICE TRUST

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

25. RELATED PARTY DISCLOSURES - continued

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2024	2023
	£	£
Aggregate compensation	<u>71,176</u>	<u>69,978</u>

During the year the charity received grants from a trust in which key management personnel G Churcher is a trustee. The grants received totalled £nil (2023: £5,400).

CORNWALL MUSIC SERVICE TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2024

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and gifts	9,776	39,120
Gift aid	3,029	7,949
Grants	<u>17,421</u>	<u>28,284</u>
	30,226	75,353
Other trading activities		
T-shirt income	1,456	440
Goods and services recharged	<u>679</u>	<u>8,041</u>
	2,135	8,481
Investment income		
Deposit account interest	6,550	3,391
Fixed asset investment income	<u>2,905</u>	<u>-</u>
	9,455	3,391
Charitable activities		
Music tuition fees	1,500,820	1,389,604
Music therapy fees	<u>172,536</u>	<u>158,690</u>
	1,673,356	1,548,294
Other income		
Other income	<u>66,031</u>	<u>99,547</u>
Total incoming resources	1,781,203	1,735,066
EXPENDITURE		
Other trading activities		
Opening stock	30	-
Purchases	874	616
Goods and services recharged	679	8,041
Closing stock	<u>-</u>	<u>(30)</u>
	1,583	8,627
Charitable activities		
Wages	1,434,301	1,409,734
Carried forward	1,434,301	1,409,734

This page does not form part of the statutory financial statements

CORNWALL MUSIC SERVICE TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2024

	2024 £	2023 £
Charitable activities		
Brought forward	1,434,301	1,409,734
Social security	92,182	87,740
Pensions	45,347	44,291
Premises costs	13,974	13,674
Finance costs	2,837	16,177
Bad debts written off	40,920	50,000
Development costs	1,834	1,833
Instruments	4,640	4,125
Computer equipment	<u>874</u>	<u>274</u>
	1,636,909	1,627,848
Support costs		
Other		
Insurance	4,976	3,618
Postage and stationery	1,313	4,457
Sundries	3,378	4,914
Subscriptions and memberships	4,450	3,905
Advertising and marketing	2,844	2,146
IT software and consumables	21,042	16,489
Use of funds towards tuition	1,108	2,929
Ensemble expenses	7,728	6,075
Workshop expenses	688	140
Inset expenses	5,360	3,342
Staff benefits	33,716	31,020
Subcontractors	3,879	117
Travel expenses	21	436
Legal and professional fees	3,095	3,663
Event costs	-	1,100
Staff training	<u>-</u>	<u>301</u>
	93,598	84,652
Governance costs		
Auditors' remuneration	14,400	5,340
Accountancy and legal fees	<u>-</u>	<u>10,503</u>
	<u>14,400</u>	<u>15,843</u>
Total resources expended	<u>1,746,490</u>	<u>1,736,970</u>
Net income/(expenditure)	<u><u>34,713</u></u>	<u><u>(1,904)</u></u>

This page does not form part of the statutory financial statements

CORNWALL MUSIC SERVICE TRUST

England & Wales - Charity number 1159622

Accounts

REGISTERED COMPANY NUMBER: 09268124 (England and Wales)
REGISTERED CHARITY NUMBER: 1159622

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023
FOR
CORNWALL MUSIC SERVICE TRUST
(A COMPANY LIMITED BY GUARANTEE)

TC Group
The Old Carriage Works
Moresk Road
TRURO
Cornwall
TR1 1DG

CORNWALL MUSIC SERVICE TRUST

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FOR THE YEAR ENDED 31 AUGUST 2023

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CORNWALL MUSIC SERVICE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

TRUSTEES	D W Fryer (resigned 1/1/2023) J M Bailey R Bates (resigned 1/9/2023) J M R Brant A S Gordon-Brown (resigned 1/9/2023) A Johnson P Kneebone A T L Retallack J A Scarborough E Sibley D I Solly R M J Thomas
REGISTERED OFFICE	Truro School Trennick Lane TRURO Cornwall TR1 1TH
REGISTERED COMPANY NUMBER	09268124 (England and Wales)
REGISTERED CHARITY NUMBER	1159622
INDEPENDENT AUDITORS	TC Group The Old Carriage Works Moresk Road TRURO Cornwall TR1 1DG
SOLICITORS	Foot Anstey LLP High Water House Malpas Road TRURO Cornwall TR1 1QH
BANKERS	Barclays Bank Plc 1 Churchill Place LONDON E14 5HP

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2023**

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 2023. 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

Charitable Objects (for the Public Benefit)

- to advance education within the framework of the arts for the benefit of the public of Cornwall and elsewhere
- to advance the arts and culture for the benefit of the public, particularly but not exclusively by promoting and facilitating access to and performance of music and other art forms
- to provide for the recreation of children, young people and adults for the benefit of the public by providing facilities and services to them in the interests of social welfare with the object of improving their conditions of life
- to promote and provide for the public benefit music therapy for the relief of physical and mental illness and disability, the alleviation of developmental, emotional, social and behavioural difficulties and the protection and promotion of good health in children and adults, in particular, but not exclusively, in Cornwall and the Isles of Scilly.

Aims

Our Vision

We aspire to become a leading Music Service in the United Kingdom.

Our Mission

To offer high quality music and performing arts education and related opportunities that support the aspirations of children, young people and adults in Cornwall and beyond.

Our Values

Our work will be guided by our commitment to the following values:

Quality: We strive for excellence through continuous improvement in all areas of our work.

Inclusiveness: We respect people, value diversity and are committed to equality and open access.

Inspiration: We encourage imaginative and creative approaches in our activities.

Innovation: We welcome new developments and their application in music education.

Health and Wellbeing: We believe in the health and wellbeing benefits of engagement with music.

Caring: We believe in an understanding and compassionate ethos for our staff, students and all those we engage with.

Collaboration: We foster strong partnerships and links with other organisations and individuals.

Enjoyment: We see this as one of the hallmarks of our success.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2023**

OBJECTIVES AND ACTIVITIES

Our broad objectives can be grouped as follows:

Learner Experience

- Identify and nurture talent of all abilities across all levels and stages, from learners that are just embarking on their first musical experiences to those who are exceptionally gifted and talented and demonstrate high levels of excellence
- Be inclusive; to reach all learners including those that are socially, educationally, geographically, physically or financially challenged
- Ensure that our curricula are ethnically and culturally diverse and inclusive
- Develop a range of formal and non-formal teaching methods that engage and encourage all learners
- Provide exciting and engaging performance opportunities
- Support and develop an Ensemble Network for instrumental and vocal performers (including adult learners)
- Provide and signpost opportunities for progression
- Develop a formal annual reporting system to facilitate feedback to students and their parents/carers
- Develop a system of bursaries to support the Learner Experience

Partnership with Educational Establishments

- Support educational establishments in recognising the value of music
- Exercise our influence in the provision of suitable environments for musical activities
- Engage, where possible with the latest research and development in music education
- Promote partnerships with a wide range of organisations including schools, colleges, universities, conservatoires and wider educational establishments
- Encourage dialogue with the informal and independent teaching sector, especially with the aim of promoting good teaching practice and teacher development

Service Development

- Develop an Early Years Music Strategy
- Develop a Vocal Strategy
- Develop a sustainable First Access programme
- Maintain a strong working relationship with AsOne Hub, whilst being prepared for changes in national policy
- Make bids and applications for grant funding to other organisations with a view to increasing or enhancing our services
- Explore working with other performing art forms
- Maintain and develop Music Therapy

Organisational Framework

- Maintain a financially sustainable organisation
- Provide a safeguarded teaching environment that protects learners and teachers
- Develop a Quality Assurance Strategy
- Develop a robust system for staff appraisal and development
- Develop our Health and Wellbeing Strategy
- Identify and provide opportunities for developing the skills of Trustees and the effectiveness of the Board of Trustees
- Make best use of appointed advisers and friends scheme

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2023**

OBJECTIVES AND ACTIVITIES

Activities

Cornwall Music Service Trust provides music education for in excess of 10,000 pupils across all key stages and including further and higher education.

Cornwall Music Service Trust devotes significant time and resources to engagement with the local community, further details of which are given in the Public Benefit section below.

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Bursary and Grant Making Policy

Access to music education we offer should not be restricted to those who can afford our fees. As a registered provider for AsOne Hub, Cornwall Music Service Trust can offer subsidised activities to those children currently eligible for means tested free school meals, children currently in care, children with one or more parents serving in the British Armed Forces, children or a parent in receipt of Personal Independence Payment and children with an Education, Health and Care Plan. In addition Cornwall Music Service Trust offers, on an application and audition basis, an award scheme to those children who, at all levels, show exceptional talent. A successful candidate will be entitled to a subsidised one to one lesson funded internally by Cornwall Music Service Trust.

Volunteers

Three working groups of volunteers have been established by the Board of Trustees these being: Funding Working Group - established to look at all aspects of fundraising including potential funding opportunities from external bodies and working within the Terms & Conditions set by the Board of Trustees. Advisory Panel - a panel of educators, musicians etc. that can be called upon for external advice to support and aid the Board of Trustees and Head of Service. Early Years Steering Group - following its objectives and aims, Cornwall Music Service Trust has embarked on an Early Years Music Service for 0-5s. To effectively implement this delivery CMST has called upon and will continue to draw upon the expertise of many Early Years practitioners.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2023**

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The work towards increasing the development and fundraising activity within Cornwall Music Service Trust enables the fulfilment of its charitable objectives.

No professional fundraisers are used.

The Charity always adheres to best practice when working with vulnerable children and adults. Its safeguarding policy covers all areas of the Charity's activities including any fundraising activities.

The period in question has presented two major challenges for Cornwall Music Service Trust (CMST). The introduction of the upgraded Paritor (client management) system which, in reality, was a complete redesign of the previous software, presented a significant increased workload for office and frontline teaching staff. In addition it also created barriers for clients who found it difficult to navigate the software to be able to sign up new students, access the portal and generally engage with this important interface between CMST and parents/guardians. The process of implementing this software upgrade required office staff to start the process way ahead of the period in question to ensure a smooth transition but in reality the software was never fit for purpose. Therefore a fairly radical decision was made 6 months into the accounting period to withdraw Paritor and implement a different client management system. The Head of Service had already researched alternative models and thankfully due to this diligence had a suitable alternative in SpeedAdmin. SpeedAdmin has been easier to implement, more efficient for the office team and far more user intuitive for customers and clients. It also has more extensive reporting functionality that will allow for easier data analysis and is constantly evolving and improving. The Trustees would like to acknowledge and thank the hard work of all staff and in particular Ian Bowden and Ryun Retallack for their patience and perseverance in this area.

The second area of challenge has been the change in administration for funded areas of CMST's work by AsOne Hub in April 2022. Alluded to in last year's report but important to document again is that Cornwall Council relinquished their role as Hub Lead Organisation (HLO) for Cornwall which led to a tendering process. This was only an interim model as a wider public tendering process was on the horizon. During this interim period the core team for the HLO resigned which resulted in a period of substantial instability. Commissioned work for CMST took longer than expected to be confirmed and this resulted in the delay in some work commencing. All of this caused undue pressure on CMST staff in certain areas of stress that impacted the health and well being of staff. The Head of Service provided much assistance to the interim programme director of the HLO and if it was not for this assistance matters could have become much worse. Unfortunately this situation is still ever present and is having a negative strategic, financial and delivery impact for both staff and children and young people of Cornwall.

Taking these matters into consideration it is actually quite encouraging to see that the financial outturn for CMST, albeit a deficit for the period, is only a small one. The Trustees have been supportive during this challenging period but still with a keen eye on good governance and strategic oversight. Due to CMST's financial resilience the Trustees have been able to support staff through a range of mechanisms to counteract rising inflation and a cost of living crisis. The Trustees are acutely aware that in due course a stronger relationship with the new HLO for Cornwall will have to be established so that CMST, with all of its information, data and awareness of the sector can inform how much welcomed public funding should be spent. It has been noted that since the pandemic traditional western instruments have been undersupported and consequently this is filtering through to the ensemble network. It may also require an initiative by CMST to draw on reserves to financially support initiatives in the six defined areas of delivery, from Penwith to East Cornwall.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2023**

ACHIEVEMENT AND PERFORMANCE

To further highlight positives within the period it has been really rewarding to see ensembles progress to the National Music for Youth Event at Symphony Hall in Birmingham. This is a testament to the commitment, hard work and dedication of both CMST staff and students. These events are difficult to support as it requires a huge amount of resource and finance to transport children and young people to these events. However, due to CMST's constitution, track record and expertise funding was leveraged with support from Music for Youth and Cornwall Community Foundation which enabled 50 children and young people to have a long lasting experience through performance at an iconic venue. This is only one example of many opportunities that CMST has been able to provide so that it enhances the life experience of the young population of Cornwall.

Finally a recent mapping exercise through the new software system has been able to demonstrate the breadth and depth of CMST's delivery across Cornwall and this data, which is open source, can be accessed via the link below:

<https://www.google.com/maps/d/edit?mid=1LQB-02HbtZL-s0zocSzUR4jouO1vFpw&usp=sharing>

FINANCIAL REVIEW

Financial position

The charitable company's principal source of income is music tuition fees. All of Cornwall Music Trust's expenditure was spent in advancement of its charitable objectives.

The net outgoing resources for the year were £1,905 (2022: outgoing resources £217,978).

Reserves policy

The reserves policy of Cornwall Music Service Trust has been reviewed by the Board of Trustees during the year. Free reserves are regarded as those unrestricted funds that have not been designated for any specific purpose. At 31 August 2023 the charitable company had free reserves of £301,764 (2022: £278,819).

The Board of Trustees have carefully considered the level of reserves appropriate to be held by Cornwall Music Service Trust necessary for contingencies and movements in working capital. Having regard to the likelihood of financial risks and mitigating factors including its group structure, it considers the maximum level of free reserves required to be the equivalent of 2 months of gross salary costs, approximately 17% of turnover. The trustees aim is to increase this to 4 months of gross salaries in the light of the effects of the Covid-19 pandemic.

The Board of Trustees have passed this proposal and Cornwall Music Service Trust is working towards accumulating the free reserves aforementioned.

The trustees have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2023**

FUTURE PLANS

Cornwall Music Service Trusts "Potential Future Activities" (detailed in its Business Plan), as drawn up by the Senior Management Team, after consultation with the key stakeholders, and as approved by the Board of Trustees, provides the focus for the future development of Cornwall Music Service Trust. In particular, the future activities embrace the aspirations of Cornwall Music Service Trust for teaching developments, the growth of marketing, pupil numbers, enhanced staffing and the development of its delivery.

- Expand current delivery to outreach to further educational establishments and other organisations
- Create a strong cohesion with Truro School thus providing a Music Centre for Cornwall
- Explore & develop Music Technology education and digital music provision
- Create an internal assessment programme for students for all musical disciplines
- Provide a highly professional service to schools, Further Education and Higher Education and the wider community
- Work closely with national and international musicians, educators, conductors and clinicians to provide the highest quality masterclasses and holiday music schools
- Explore funding for bespoke programmes of work
- Create an e-learning environment to support the initial stages of music education
- Develop Early Years Music Provision and Training for Early Years practitioners
- Nationwide consultancy on Music Service Trust Formation
- Online delivery via Skype and Online Orchestra software in collaboration with Falmouth University to provide delivery to the hardest to reach areas and connect musicians that are isolated
- Bespoke workshops and projects for schools and the wider community.
- Weekend and evening workshops, etc - ie - Saturday morning theory classes
- Summer school and holiday courses
- Digital technology projects
- Performance opportunities at all levels; large scale and smaller settings - CMST cluster performances - bring groups of schools together for a massed performance.
- CMST Schools Prom - An annual performance to all primary schools using CMST ensembles giving an educational experience and demonstration encouraging new young people to learn
- Advice on purchase of musical instruments and resources in school
- One off supply days - music cover
- Write new performance and teaching material - this could be for individual instruments or for small ensembles. It could then be sold to pupils both in Cornwall and elsewhere as CMST Publications.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2023**

FUTURE PLANS

- Twilight training sessions for teachers on a whole variety of musical techniques, skills and tasks. This might include setting up an ensemble, conducting skills, composition starting points, working towards a performance
- CPD presentations to Primary and Secondary Initial Teacher Training bodies - annual
- Secondary Head of Music Departments meetings and conferences
- Make the Cornwall Youth Jazz Festival an annual event
- Make the Cornwall Horn Festival an annual event
- Develop and expand Music Therapy provision
- Longer term; to look for funding to establish 'Music Centres' in the West and North & East of Cornwall along with collaborating with Truro School to find a central Music Centre
- After establishment of Music Centres appoint Area Managers to coordinate delivery in these areas
- Review management structure of CMST
- Review business plan and 5 year financial forecast in line with the above future plans as an ongoing activity
- Create a strong partnership with the City of London Symphonia including support in delivering their educational outreach programme
- Work closely and advise Trinity College of London or another national Music College on various aspects of delivery including but not exclusively the research element into the examination process and an online alternative
- Advise nationally on Early Years Music Education

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on the 16 October 2014 and registered as a charity on 15 December 2014. The charitable company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Charity constitution

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Board of Trustees are elected to serve for a period of three years after which they must be re-elected at the next General Meeting. All members of the Board of Trustees give their time voluntarily and received no benefits from the charitable company. As Cornwall Music Service Trust has many roles to play in the educational sector the trustees have been selected for the wide and diverse skill base they have to offer. In an effort to maintain this broad skill mix, members of the Board of Trustees are requested to provide a list of their skills (and update it each year) and in the event of particular skill being lost due to retirements, individuals are approached to offer themselves for election to the Board of Trustees.

Recruitment and appointment of new trustees

Trustees are nominated and appointed by the Board of Trustees. Appointments are for a period of three years which is renewable. The induction of new trustees is the responsibility of the Chair and the Head of Service. All trustees, due to the nature of the work of Cornwall Music Service Trust, have enhanced Disclosure & Barring Service checks and are routinely updated on Safeguarding for Children and Vulnerable Adults.

There were no new trustees appointed during the year.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Board of Trustees for Cornwall Music Service Trust, which meets at least three times a year, are responsible for the general policy and strategic direction of Cornwall Music Service Trust. In addition the Board of Trustees are legally responsible for the overall management and control of Cornwall Music Service Trust. The work of implementing most of their policies and day to day management is delegated to the Head of Service, supported by his Senior Team Managers. At present there are 9 trustees from a variety of professional backgrounds relevant to the work of Cornwall Music Service Trust who form the Board of Trustees.

National benchmarking is used in setting pay for key management personnel but always with the charitable company's affordability in mind.

Related parties

CMST will partner with a number of local organisations. These include the following:

AsOne Hub for curriculum leadership, ensemble leadership, ensemble coordination, ensemble staffing, first access management and liaison, first access provision and minority instrument scheme delivery. Cornwall Council Local Authority for SEN delivery and inclusion delivery (disadvantaged families remissions funded). Cornwall's Schools for ensemble support, classroom support and curriculum delivery. Further Education Colleges & Higher Education Institutions for strategic links for service development and training of music teachers

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Cornwall Music Service 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

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.

CORNWALL MUSIC SERVICE TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

AUDITORS

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

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.

Approved by order of the board of trustees on 22 July 2024..... and signed on its behalf by:

J A Scarborough
J A Scarborough - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CORNWALL MUSIC SERVICE TRUST**

Qualified opinion

We have audited the financial statements of Cornwall Music Service Trust (the 'charitable company') for the year ended 31 August 2023 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The charitable company changed provider for the software system that was used for managing tuition income shortly after the year end, and access to the previous software system was not maintained for the duration of our audit. Accordingly we were unable to view bookings and invoices on the software system that would have enabled us to carry out substantive testing at the individual transaction level on a material element of the charitable company's income, amounting to £1,389,604. As a result of this we were unable to obtain sufficient audit evidence in respect of this income, and we were unable to determine whether any adjustment to this amount was necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 qualified 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning tuition income amounting to £1,389,604 as we were unable to carry out substantive testing at the individual transaction level in this population. We have concluded that where the other information refers to tuition income, it may be materially misstated for the same reason.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CORNWALL MUSIC SERVICE TRUST**

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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.

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, 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.

Arising solely from the limitation on the scope of our work relating to tuition income, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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
CORNWALL MUSIC SERVICE 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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those that relate to health and safety, safeguarding, employment matters and laws and regulations specific to the sector in which the charitable company operates.

We assessed the risks of material misstatement in respect of fraud as follows:

- we made enquiries of the trustees and management of any non-compliance of laws and regulations, potential litigation and claims or any knowledge of actual, suspected or alleged fraud.
- we reviewed the charitable company's risk register and minutes of trustee meetings.
- we considered the adequacy of insurance cover.
- we reviewed information in relation to key operating compliance matters including a review of reports from the regulatory body.
- we considered the risk of fraud through management override.

Based on the results of our risk assessment, we designed our audit procedures to identify and to address material misstatements in relation to fraud, as follows:

- we reviewed legal fees to identify any potential non-compliance with laws and regulations.
- we reviewed the minutes of trustee meetings to identify any significant matters arising.
- we reviewed material manual journal entries for evidence of management override or fraud.
- we reviewed the operation of service user bank accounts.

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.

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.

TC Group

James Pearce FCA (Senior Statutory Auditor)
for and on behalf of TC Group
The Old Carriage Works
Moresk Road
TRURO
Cornwall
TR1 1DG

Date:

26/7/24

CORNWALL MUSIC SERVICE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	35,970	39,383	75,353	135,792
Charitable activities					
Other Education	6	1,548,294	-	1,548,294	1,379,808
Other trading activities	4	8,481	-	8,481	-
Investment income	5	3,391	-	3,391	291
Other income		99,547	-	99,547	36,916
Total		<u>1,695,683</u>	<u>39,383</u>	<u>1,735,066</u>	<u>1,552,807</u>
EXPENDITURE ON					
Raising funds	7	8,627	-	8,627	-
Charitable activities					
Other Education	8	<u>1,655,617</u>	<u>72,726</u>	<u>1,728,343</u>	<u>1,770,785</u>
Total		<u>1,664,244</u>	<u>72,726</u>	<u>1,736,970</u>	<u>1,770,785</u>
NET INCOME/(EXPENDITURE)		31,439	(33,343)	(1,904)	(217,978)
RECONCILIATION OF FUNDS					
Total funds brought forward		587,030	48,558	635,588	853,566
TOTAL FUNDS CARRIED FORWARD		<u>618,469</u>	<u>15,215</u>	<u>633,684</u>	<u>635,588</u>

The notes form part of these financial statements

CORNWALL MUSIC SERVICE TRUST

BALANCE SHEET
31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Intangible assets	14	3,667	-	3,667	-
Tangible assets	15	<u>10,644</u>	<u>-</u>	<u>10,644</u>	<u>3,770</u>
		14,311	-	14,311	3,770
CURRENT ASSETS					
Stocks	16	30	-	30	-
Debtors	17	112,333	-	112,333	145,329
Cash at bank		<u>538,718</u>	<u>15,215</u>	<u>553,933</u>	<u>706,681</u>
		651,081	15,215	666,296	852,010
CREDITORS					
Amounts falling due within one year	18	<u>(46,923)</u>	<u>-</u>	<u>(46,923)</u>	<u>(220,192)</u>
NET CURRENT ASSETS		<u>604,158</u>	<u>15,215</u>	<u>619,373</u>	<u>631,818</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>618,469</u>	<u>15,215</u>	<u>633,684</u>	<u>635,588</u>
NET ASSETS		<u>618,469</u>	<u>15,215</u>	<u>633,684</u>	<u>635,588</u>
FUNDS	21				
Unrestricted funds:					
General fund				316,075	282,589
Deficit Reserve - Designated				300,000	300,000
Mark Wilkin Memorial Bursary - Designated				<u>2,394</u>	<u>4,441</u>
				<u>618,469</u>	<u>587,030</u>
Restricted funds				<u>15,215</u>	<u>48,558</u>
TOTAL FUNDS				<u>633,684</u>	<u>635,588</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 22 July 2024 and were signed on its behalf by:


J A Scarborough - Trustee

The notes form part of these financial statements

CORNWALL MUSIC SERVICE TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	84,844	(113,481)
Tax paid		<u>(59,710)</u>	<u>-</u>
Net cash provided by/(used in) operating activities		<u>25,134</u>	<u>(113,481)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(5,500)	-
Purchase of tangible fixed assets		(11,273)	(1,350)
Interest received		<u>3,391</u>	<u>291</u>
Net cash used in investing activities		<u>(13,382)</u>	<u>(1,059)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(164,500)</u>	<u>(42,000)</u>
Net cash used in financing activities		<u>(164,500)</u>	<u>(42,000)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(152,748)	(156,540)
Cash and cash equivalents at the beginning of the reporting period		<u>706,681</u>	<u>863,221</u>
Cash and cash equivalents at the end of the reporting period		<u><u>553,933</u></u>	<u><u>706,681</u></u>

The notes form part of these financial statements

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

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

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(1,904)	(217,978)
Adjustments for:		
Depreciation charges	6,232	2,076
Interest received	(3,391)	(291)
Increase in stocks	(30)	-
Decrease in debtors	92,706	109,188
Decrease in creditors	<u>(8,769)</u>	<u>(6,476)</u>
Net cash provided by/(used in) operations	<u><u>84,844</u></u>	<u><u>(113,481)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/9/22 £	Cash flow £	At 31/8/23 £
Net cash			
Cash at bank	<u>706,681</u>	<u>(152,748)</u>	<u>553,933</u>
	<u>706,681</u>	<u>(152,748)</u>	<u>553,933</u>
Debt			
Debts falling due within 1 year	<u>(164,500)</u>	<u>164,500</u>	<u>-</u>
	<u>(164,500)</u>	<u>164,500</u>	<u>-</u>
Total	<u><u>542,181</u></u>	<u><u>11,752</u></u>	<u><u>553,933</u></u>

The notes form part of these financial statements

CORNWALL MUSIC SERVICE TRUST

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

1. COMPANY INFORMATION

The charitable company is incorporated in England and Wales and is limited by guarantee and does not have a share capital. In the event of the Company being wound up each member is liable to contribute a sum not exceeding £1. There were 11 members at 31 August 2023 (2022: 12).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts.

Expenditure

Resources expended are accounted for on an accruals basis, inclusive of irrecoverable VAT. Costs of generating funds are those costs incurred in attracting voluntary income. Charitable activities comprise expenditure associated with teaching and school activities and include both direct and support costs.

Governance costs are those incurred in the governance of the charity and its assets and are associated with constitutional and statutory requirements.

Tangible fixed assets

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

Instruments	- 25% 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 the statement of financial activities.

CORNWALL MUSIC SERVICE TRUST

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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 (if any).

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

Designated funds has been earmarked by the trustees to cover staff salaries for the period of 2 months should there be a temporary drop in income.

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.

Financial instruments

The charity 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 charity's balance sheet when the charity 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.

CORNWALL MUSIC SERVICE TRUST

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

2. ACCOUNTING POLICIES - continued

Financial instruments

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations and gifts	39,120	23,872
Gift aid	7,949	3,907
Grants	<u>28,284</u>	<u>108,013</u>
	<u>75,353</u>	<u>135,792</u>

CORNWALL MUSIC SERVICE TRUST

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

3. DONATIONS AND LEGACIES - continued

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

	2023 £	2022 £
Arts Council National Lottery Fund - Dalla Project	-	1,492
Creative Kernow - Cultivator Creative Investment Grant	-	2,953
Early Years Music Education	17,784	4,704
Government Grants	-	43,622
Arts Council England - Queen's Platinum Jubilee Weekend Fund	-	5,000
BBC Children in Need Music Therapy	500	9,500
Radford Trust	-	3,000
Arts Council Cultural Recovery Fund	-	37,492
BBC Children in Need Music Therapy Development Day	-	250
Cornwall Community Fund - Music Therapy	<u>10,000</u>	<u>-</u>
	<u>28,284</u>	<u>108,013</u>

Arts Council National Lottery Fund - Dalla Project - a grant has been received for £Nil (2022: £1,492) to support Early Years Music Education.

Creative Kernow - Cultivator Creative Investment Grant - a grant has been received for £Nil (2022: £2,953) to support the purchase of a studio recording kit.

Early Years Music Education - a grant has been received for £17,784 (2022: £4,704 to support Early Years Music Education.

HMRC - a grant has been received for £Nil (2022: £43,622) to help with the furloughed staff whilst in a nationwide lockdown due to COVID-19.

Arts Council England - Queen's Platinum Jubilee Weekend - a grant has been received for £Nil (2022: £5,000) to support the activities as part of Her Majesty The Queen's Platinum Jubilee celebrations.

BBC Children In Need Music Therapy Development Day - a grant has been received for £Nil (2022: £250) to support the provision of a Music Therapy Development Day.

BBC Children In Need Music Therapy - a grant has been received for £500 (2022: £9,500) to support Music Therapy provision.

Radford Trust - a grant has been received for £Nil (2022: £3,000) to support children and young people who were financially disadvantaged due to COVID-19 and otherwise would not be able to continue receiving music education.

Arts Council Cultural Recovery Fund - a grant has been received for £Nil (2022: £37,492) to support core costs, including salary top up and reflatting reserves, due to restrictions encountered because of COVID-19.

Cornwall Community Fund - Music Therapy - a grant has been received for £10,000 (2022: £Nil) to support Music Therapy delivery.

CORNWALL MUSIC SERVICE TRUST

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

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
T-shirt income	440	-
Goods and services recharged	<u>8,041</u>	<u>-</u>
	<u><u>8,481</u></u>	<u><u>-</u></u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>3,391</u>	<u>291</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Music tuition fees	1,389,604	1,379,808
Music therapy fees	<u>158,690</u>	<u>-</u>
	<u><u>1,548,294</u></u>	<u><u>1,379,808</u></u>

7. RAISING FUNDS

Other trading activities

	2023	2022
	£	£
Purchases	8,657	-
Closing stock	<u>(30)</u>	<u>-</u>
	<u><u>8,627</u></u>	<u><u>-</u></u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Other Education	<u>1,627,848</u>	<u>100,495</u>	<u><u>1,728,343</u></u>

CORNWALL MUSIC SERVICE TRUST

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

9. SUPPORT COSTS

	Other	Governance	Totals
	£	costs	£
	£	£	£
Other Education	<u>84,652</u>	<u>15,843</u>	<u>100,495</u>

10. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Auditors' remuneration	5,340	3,300
Depreciation - owned assets	4,399	2,076
Website amortisation	<u>1,833</u>	<u>-</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

12. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	1,409,734	1,376,222
Social security costs	87,740	86,494
Other pension costs	<u>44,291</u>	<u>45,827</u>
	<u>1,541,765</u>	<u>1,508,543</u>

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

	2023	2022
Teaching	110	110
Administration	<u>3</u>	<u>3</u>
	<u>113</u>	<u>113</u>

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

	2023	2022
£60,001 - £70,000	1	-
£70,001 - £80,000	<u>-</u>	<u>1</u>
	<u>1</u>	<u>1</u>

CORNWALL MUSIC SERVICE TRUST

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

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	71,174	64,618	135,792
Charitable activities			
Other Education	1,379,808	-	1,379,808
Investment income	291	-	291
Other income	<u>36,916</u>	<u>-</u>	<u>36,916</u>
Total	<u>1,488,189</u>	<u>64,618</u>	<u>1,552,807</u>
EXPENDITURE ON			
Charitable activities			
Other Education	<u>1,735,109</u>	<u>35,676</u>	<u>1,770,785</u>
NET INCOME/(EXPENDITURE)	(246,920)	28,942	(217,978)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>833,950</u>	<u>19,616</u>	<u>853,566</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>587,030</u></u>	<u><u>48,558</u></u>	<u><u>635,588</u></u>

14. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 September 2022	3,360
Additions	<u>5,500</u>
At 31 August 2023	<u>8,860</u>
AMORTISATION	
At 1 September 2022	3,360
Charge for year	<u>1,833</u>
At 31 August 2023	<u>5,193</u>
NET BOOK VALUE	
At 31 August 2023	<u><u>3,667</u></u>
At 31 August 2022	<u><u>-</u></u>

CORNWALL MUSIC SERVICE TRUST

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

15. TANGIBLE FIXED ASSETS

	Instruments £	Computer equipment £	Totals £
COST			
At 1 September 2022	6,654	2,739	9,393
Additions	<u>10,677</u>	<u>596</u>	<u>11,273</u>
At 31 August 2023	<u>17,331</u>	<u>3,335</u>	<u>20,666</u>
DEPRECIATION			
At 1 September 2022	3,048	2,575	5,623
Charge for year	<u>4,125</u>	<u>274</u>	<u>4,399</u>
At 31 August 2023	<u>7,173</u>	<u>2,849</u>	<u>10,022</u>
NET BOOK VALUE			
At 31 August 2023	<u>10,158</u>	<u>486</u>	<u>10,644</u>
At 31 August 2022	<u>3,606</u>	<u>164</u>	<u>3,770</u>

16. STOCKS

	2023 £	2022 £
Stocks	<u>30</u>	<u>-</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	47,632	136,766
Other debtors	1,228	2,567
Tax	59,710	-
Prepayments	<u>3,763</u>	<u>5,996</u>
	<u>112,333</u>	<u>145,329</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Bank loans and overdrafts (see note 19)	-	164,500
Trade creditors	5,866	21,517
Social security and other taxes	15,653	19,635
Other creditors	6,762	6,942
Accrued expenses	<u>18,642</u>	<u>7,598</u>
	<u>46,923</u>	<u>220,192</u>

CORNWALL MUSIC SERVICE TRUST

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

19. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year on demand:		
Bank loans	<u>-</u>	<u>164,500</u>

The long-term loan is secured by way of a debenture over fixed and floating assets of the charity. The loan is repayable by instalments and interest charged at 3.19%. The loan was repaid in full in October 2022.

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	<u>13,674</u>	<u>15,314</u>

21. MOVEMENT IN FUNDS

	At 1/9/22 £	Net movement in funds £	Transfers between funds £	At 31/8/23 £
Unrestricted funds				
General fund	282,589	33,486	-	316,075
Deficit Reserve - Designated	300,000	-	-	300,000
Mark Wilkin Memorial Bursary - Designated	<u>4,441</u>	<u>(2,047)</u>	<u>-</u>	<u>2,394</u>
	587,030	31,439	-	618,469
Restricted funds				
Early Years Music Education	34,704	(27,444)	(4,704)	2,556
Children in Need	2,149	(2,149)	-	-
MusicNet East	10,000	(10,000)	-	-
Radford Trust	1,705	(881)	-	824
Cornwall Community Fund - Early Years	-	(4,590)	4,704	114
Music Therapy for Holly Martin	-	886	-	886
General Music Therapy Fund	-	835	-	835
Cornwall Community Fund - for Music Therapy and Inclusion Project	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
	<u>48,558</u>	<u>(33,343)</u>	<u>-</u>	<u>15,215</u>
TOTAL FUNDS	<u>635,588</u>	<u>(1,904)</u>	<u>-</u>	<u>633,684</u>

CORNWALL MUSIC SERVICE TRUST

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

21. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,695,683	(1,662,197)	33,486
Mark Wilkin Memorial Bursary - Designated	-	(2,047)	(2,047)
	1,695,683	(1,664,244)	31,439
Restricted funds			
Early Years Music Education	17,784	(45,228)	(27,444)
Children in Need	1,350	(3,499)	(2,149)
MusicNet East	-	(10,000)	(10,000)
Radford Trust	1	(882)	(881)
Cornwall Community Fund - Early Years	-	(4,590)	(4,590)
Music Therapy for Holly Martin	2,556	(1,670)	886
General Music Therapy Fund	7,692	(6,857)	835
Cornwall Community Fund - for Music Therapy and Inclusion Project	10,000	-	10,000
	39,383	(72,726)	(33,343)
TOTAL FUNDS	<u>1,735,066</u>	<u>(1,736,970)</u>	<u>(1,904)</u>

Comparatives for movement in funds

	At 1/9/21 £	Net movement in funds £	At 31/8/22 £
Unrestricted funds			
General fund	527,790	(245,201)	282,589
Deficit Reserve - Designated	300,000	-	300,000
Mark Wilkin Memorial Bursary - Designated	6,160	(1,719)	4,441
	833,950	(246,920)	587,030
Restricted funds			
Early Years Music Education	30,000	4,704	34,704
Children in Need	16,300	(14,151)	2,149
MusicNet East	10,000	-	10,000
Cornwall Council - Music Therapy	300	(300)	-
Radford Trust	508	1,197	1,705
Arts Council - Culture Recovery Fund	(37,492)	37,492	-
	19,616	28,942	48,558
TOTAL FUNDS	<u>853,566</u>	<u>(217,978)</u>	<u>635,588</u>

CORNWALL MUSIC SERVICE TRUST

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

21. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,488,189	(1,733,390)	(245,201)
Mark Wilkin Memorial Bursary - Designated	-	(1,719)	(1,719)
	1,488,189	(1,735,109)	(246,920)
Restricted funds			
Creative Kernow	2,953	(2,953)	-
Arts Council - Queen's Platinum Jubilee	5,000	(5,000)	-
Arts Council - Early Years - Dalla Project	1,492	(1,492)	-
Early Years Music Education	4,704	-	4,704
Children in Need	9,750	(23,901)	(14,151)
Cornwall Council - Music Therapy	-	(300)	(300)
Radford Trust	3,227	(2,030)	1,197
Arts Council - Culture Recovery Fund	37,492	-	37,492
	64,618	(35,676)	28,942
TOTAL FUNDS	<u>1,552,807</u>	<u>(1,770,785)</u>	<u>(217,978)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/9/21 £	Net movement in funds £	Transfers between funds £	At 31/8/23 £
Unrestricted funds				
General fund	527,790	(211,715)	-	316,075
Deficit Reserve - Designated	300,000	-	-	300,000
Mark Wilkin Memorial Bursary - Designated	6,160	(3,766)	-	2,394
	833,950	(215,481)	-	618,469
Restricted funds				
Early Years Music Education	30,000	(22,740)	(4,704)	2,556
Children in Need	16,300	(16,300)	-	-
MusicNet East	10,000	(10,000)	-	-
Cornwall Council - Music Therapy	300	(300)	-	-
Radford Trust	508	316	-	824
Arts Council - Culture Recovery Fund	(37,492)	37,492	-	-
Cornwall Community Fund - Early Years	-	(4,590)	4,704	114
Music Therapy for Holly Martin	-	886	-	886
General Music Therapy Fund	-	835	-	835
Cornwall Community Fund - for Music Therapy and Inclusion Project	-	10,000	-	10,000
	19,616	(4,401)	-	15,215
TOTAL FUNDS	<u>853,566</u>	<u>(219,882)</u>	<u>-</u>	<u>633,684</u>

CORNWALL MUSIC SERVICE TRUST

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

21. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,183,872	(3,395,587)	(211,715)
Mark Wilkin Memorial Bursary - Designated	-	(3,766)	(3,766)
	3,183,872	(3,399,353)	(215,481)
Restricted funds			
Creative Kernow	2,953	(2,953)	-
Arts Council - Queen's Platinum Jubilee	5,000	(5,000)	-
Arts Council - Early Years - Dalla Project	1,492	(1,492)	-
Early Years Music Education	22,488	(45,228)	(22,740)
Children in Need	11,100	(27,400)	(16,300)
MusicNet East	-	(10,000)	(10,000)
Cornwall Council - Music Therapy	-	(300)	(300)
Radford Trust	3,228	(2,912)	316
Arts Council - Culture Recovery Fund	37,492	-	37,492
Cornwall Community Fund - Early Years	-	(4,590)	(4,590)
Music Therapy for Holly Martin	2,556	(1,670)	886
General Music Therapy Fund	7,692	(6,857)	835
Cornwall Community Fund - for Music Therapy and Inclusion Project	10,000	-	10,000
	104,001	(108,402)	(4,401)
TOTAL FUNDS	<u>3,287,873</u>	<u>(3,507,755)</u>	<u>(219,882)</u>

Details of the purpose of the restricted funds is as follows:

Creative Kernow: Funding for video studio recording kit.

Arts Council - Queen's Platinum Jubilee: Funding to support the activities as part of Her Majesty The Queen's Platinum Jubilee celebrations.

Arts Council Early Years - Dalla Project: Funding from National lottery fund for Early Years Music.

Early Years Music Education: Donation from James Sargent (Trustee) for Early Years Music Education Service.

Children in Need: Funding for the provision of Music Therapy primarily for children in hospital.

MusicNet East: Funding to provide band based music project at Falmouth School for children in challenging circumstances.

Cornwall Council Music Therapy: Funding to support the requisition of instruments required for Music Therapy delivery.

Radford Trust Covid grant: Funding to support children and young people who were financially disadvantaged due to COVID-19 and otherwise would not be able to continue receiving music education.

Arts Council Culture Recovery Fund: Funding to support core costs, including salary top up and reflatting reserves due to restrictions encountered because of COVID-19.

CORNWALL MUSIC SERVICE TRUST

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

21. MOVEMENT IN FUNDS - continued

Cornwall Community Fund - Early Years: Funding for the provision of Music to children specifically in the early years (0-5s).

Music Therapy for Holly Martin: Ringfenced fund for music therapy support to Holly Martin.

General Music Therapy Fund: Funding to be used only for the provision of Music Therapy.

Cornwall Community Fund - for Music Therapy and Inclusion Project: Funding obtained by Equality, Diversity and Inclusion lead for a bespoke therapy and inclusion project.

22. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £44,291 (2022: £45,827).

Included in creditors at the year end was £6,762 (2022: £6,942) in respect of the defined contribution pension scheme.

23. RELATED PARTY DISCLOSURES

One trustees was reimbursed for expenses in the year, amounting to £180 (2022: £180).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>69,978</u>	<u>97,583</u>

During the year the charity received grants from a trust in which key management personnel G Churcher is a trustee. The grants received totalled £5,400 (2022: £2,352). G Churcher made donations amounting to £17,600 (2022: £16,042) to the charity, and wages, employer's pension contributions and employer's national insurance contributions totalling 23,754 (2022: £17,622) are paid in respect of the spouse of this individual.

Donations from trustees amounted to £290 (2022: £120).

CORNWALL MUSIC SERVICE TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and gifts	39,120	23,872
Gift aid	7,949	3,907
Grants	<u>28,284</u>	<u>108,013</u>
	75,353	135,792
Other trading activities		
T-shirt income	440	-
Goods and services recharged	<u>8,041</u>	<u>-</u>
	8,481	-
Investment income		
Deposit account interest	3,391	291
Charitable activities		
Music tuition fees	1,389,604	1,379,808
Music therapy fees	<u>158,690</u>	<u>-</u>
	1,548,294	1,379,808
Other income		
Other income	<u>99,547</u>	<u>36,916</u>
Total incoming resources	1,735,066	1,552,807
EXPENDITURE		
Other trading activities		
Purchases	616	-
Goods and services recharged	8,041	-
Closing stock	<u>(30)</u>	<u>-</u>
	8,627	-
Charitable activities		
Wages	1,409,734	1,376,222
Social security	87,740	86,494
Pensions	44,291	45,827
Premises costs	13,674	15,314
Charitable publicity	-	3,202
Finance costs	16,177	7,421
Bad debts written off	50,000	113,049
Studio rental	-	9,927
Development costs	1,833	-
Instruments	4,125	2,023
Carried forward	1,627,574	1,659,479

This page does not form part of the statutory financial statements

CORNWALL MUSIC SERVICE TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

	2023 £	2022 £
Charitable activities		
Brought forward	1,627,574	1,659,479
Computer equipment	<u>274</u>	<u>53</u>
	1,627,848	1,659,532
Support costs		
Other		
Insurance	3,618	2,071
Postage and stationery	4,457	242
Sundries	4,914	3,103
Subscriptions and memberships	3,905	4,032
Advertising and marketing	2,146	2,239
IT software and consumables	16,489	14,576
Use of funds towards tuition	2,929	3,749
Ensemble expenses	6,075	5,741
Workshop expenses	140	1,896
Inset expenses	3,342	5,455
Staff benefits	31,020	36,913
Subcontractors	117	4,956
Travel expenses	436	6,189
Legal and professional fees	3,663	10,467
Event costs	1,100	5,000
Staff training	<u>301</u>	<u>-</u>
	84,652	106,629
Governance costs		
Auditors' remuneration	5,340	3,300
Accountancy and legal fees	<u>10,503</u>	<u>1,324</u>
	<u>15,843</u>	<u>4,624</u>
Total resources expended	<u>1,736,970</u>	<u>1,770,785</u>
Net expenditure	<u><u>(1,904)</u></u>	<u><u>(217,978)</u></u>

This page does not form part of the statutory financial statements

CORNWALL MUSIC SERVICE TRUST

England & Wales - Charity number 1159622

Accounts

Charity registration number 1159622

Company registration number 09268124 (England and Wales)

CORNWALL MUSIC SERVICE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

CORNWALL MUSIC SERVICE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Gordon-Brown R Thomas A Retallack P Kneebone J Bailey D Solly E Sibley JA Scarborough A Johnson R Bates J Brant
Charity number	1159622
Company number	09268124
Registered office	Truro School Trennick Lane TRURO Cornwall TR1 1TH
Auditor	RRL LLP Peat House Newham Road TRURO Cornwall TR1 2DP
Bankers	Barclays Bank Plc 1 Churchill Place LONDON E14 5HP
Solicitors	Foot Anstey LLP High Water House Malpas Road TRURO Cornwall TR1 1QH

CORNWALL MUSIC SERVICE TRUST

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CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report and financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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

Charitable Objects (for the Public Benefit)

- to advance education within the framework of the arts for the benefit of the public of Cornwall and elsewhere
- to advance the arts and culture for the benefit of the public, particularly but not exclusively by promoting and facilitating access to and performance of music and other art forms
- to provide for the recreation of children, young people and adults for the benefit of the public by providing facilities and services to them in the interests of social welfare with the object of improving their conditions of life.
- to promote and provide for the public benefit music therapy for the relief of physical and mental illness and disability, the alleviation of developmental, emotional, social and behavioural difficulties and the protection and promotion of good health in children and adults, in particular, but not exclusively, in Cornwall and the Isles of Scilly.

Aims

Our Vision

We aspire to become a leading Music Service in the United Kingdom.

Our Mission

To offer high quality music and performing arts education and related opportunities that support the aspirations of children, young people and adults in Cornwall and beyond.

Our Values

Our work will be guided by our commitment to the following values:

Quality: We strive for excellence through continuous improvement in all areas of our work.

Inclusiveness: We respect people, value diversity and are committed to equality and open access.

Inspiration: We encourage imaginative and creative approaches in our activities.

Innovation: We welcome new developments and their application in music education.

Health and Wellbeing: We believe in the health and wellbeing benefits of engagement with music.

Caring: We believe in an understanding and compassionate ethos for our staff, students and all those we engage with.

Collaboration: We foster strong partnerships and links with other organisations and individuals.

Enjoyment: We see this as one of the hallmarks of our success.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Our broad objectives can be grouped as follows:

Learner Experience

- Identify and nurture talent of all abilities across all levels and stages, from learners that are just embarking on their first musical experiences to those who are exceptionally gifted and talented and demonstrate high levels of excellence
- Be inclusive; to reach all learners including those that are socially, educationally, geographically, physically or financially challenged
- Ensure that our curricula are ethnically and culturally diverse and inclusive
- Develop a range of formal and non-formal teaching methods that engage and encourage all learners
- Provide exciting and engaging performance opportunities
- Support and develop an Ensemble Network for instrumental and vocal performers (including adult learners)
- Provide and signpost opportunities for progression
- Develop a formal annual reporting system to facilitate feedback to students and their parents/carers
- Develop a system of bursaries to support the Learner Experience

Partnership with Educational Establishments

- Support educational establishments in recognising the value of music
- Exercise our influence in the provision of suitable environments for musical activities
- Engage, where possible with the latest research and development in music education
- Promote partnerships with a wide range of organisations including schools, colleges, universities, conservatoires and wider educational establishments
- Encourage dialogue with the informal and independent teaching sector, especially with the aim of promoting good teaching practice and teacher development

Service Development

- Develop an Early Years Music Strategy
- Develop a Vocal Strategy
- Develop a sustainable First Access programme
- Maintain a strong working relationship with Cornwall Music Education Hub, whilst being prepared for changes in national policy
- Make bids and applications for grant funding to other organisations with a view to increasing or enhancing our services
- Explore working with other performing art forms
- Maintain and develop Music Therapy

Organisational Framework

- Maintain a financially sustainable organisation
- Provide a safeguarded teaching environment that protects learners and teachers
- Develop a Quality Assurance Strategy
- Develop a robust system for staff appraisal and development
- Develop our Health and Wellbeing Strategy
- Identify and provide opportunities for developing the skills of Trustees and the effectiveness of the Board of Trustees
- Make best use of appointed advisers and friends scheme

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Activities

Cornwall Music Service Trust provides music education for in excess of 10,000 pupils across all key stages and including further and higher education.

Cornwall Music Service Trust devotes significant time and resources to engagement with the local community, further details of which are given in the Public Benefit section below.

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Bursary and Grant Making Policy

Access to music education we offer should not be restricted to those who can afford our fees. As a registered provider for the Cornwall Music Education Hub, an arm of Cornwall Council, Cornwall Music Service Trust can offer subsidised activities to those children currently eligible for means tested free school meals, children currently in care, children with one or more parents serving in the British Armed Forces, children or a parent in receipt of Disability Living Allowance and children with a Statement of Special Educational Needs. In addition Cornwall Music Service Trust offers, on an application and audition basis, an award scheme to those children who, at all levels, show exceptional talent. A successful candidate will be entitled to a subsidised one to one lesson funded internally by Cornwall Music Service Trust.

Volunteers

Three working groups of volunteers have been established by the Board of Trustees these being: Funding Working Group - established to look at all aspects of fundraising including potential funding opportunities from external bodies and working within the Terms & Conditions set by the Board of Trustees. Advisory Panel - a panel of educators, musicians etc. that can be called upon for external advice to support and aid the Board of Trustees and Head of Service. Early Years Steering Group - following its objectives and aims, Cornwall Music Service Trust has embarked on an Early Years Music Service for 0-5s. To effectively implement this delivery CMST has called upon and will continue to draw upon the expertise of many Early Years practitioners.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance

Leading into this period the Trustees were acutely aware how challenging the 2021/2022 academic year was going to be. This period saw the withdrawal of much welcomed Government support with regards to the COVID-19 pandemic but many of the issues presented through the virus still remained. Staff and service user absence meant there were ongoing expenses with no ability to recoup any costs experienced. Furthermore the longer term impact of the pandemic saw many individual staff members with reduced timetables without the ability to provide recruitment demonstrations to increase their provision to normal levels of delivery. This coupled with high levels of inflation and the increased cost of living required careful thought and planning on how best Cornwall Music Service Trust could support its greatest asset, its staff. Many measures were taken some supportive and others strategic and these ranged from:

- In house furlough support when Government support stopped (£50,000 was budgeted for)
- Additional expense payments for fuel due to rising fuel costs
- Investment in a marketing strategy to include appointing a Marketing Officer to raise awareness of CMST's offer
- Appointment of an Equality Diversity and Inclusion Lead so that barriers to accessing provision could be identified and removed wherever possible

The Trustees are extremely grateful to partner organisations such as the Radford Charitable Trust who have generously given £5,000 of their funding to allow CMST to administer support packages to support families experiencing financial difficulties. Other initiatives such as the Cornwall Community Foundation funding to support children and young people experiencing mental health issues due to isolation through the pandemic which can be addressed through engagement with music have been a welcome intervention. The aforementioned is only a small representation of the many additional activities and costs incurred which this year has meant the financial outturn of CMST is a disappointing but not unexpected deficit.

This is the first period since the inception of CMST that a deficit has been posted and this deficit has been made worse by the decision to write off long standing historical bad debts totalling c. £128k. It is timely to take this course of action however as the new software system Xperios and the built-in function of recurring debit card payments should help to reduce debt and/or bad debt going forward. It should be noted that the bad debt write off equates to an average of £25k per year which is what has been budgeted for annually. Also when we look at the performance of CMST over the previous two years, and taking into account the hard work that produced a very positive outturn in 2021 in the anticipation of a deficit in 2022, the average of the two is inline with historic and expected performance.

On a further positive note the amount of activity during the 2021/2022 year has been phenomenal. The various ensembles across Cornwall have bounced back well and new groups have been formed such as PlayWest and Carrick Strings, a sign that the appetite for ensemble music making is still strong. A superb turnout has been witnessed for the SuperStrings events, boasting in excess of 60 young (and old!) string musicians in attendance and when CMST invited brass, woodwind and percussion musicians to join this year in our first ever SuperStrings plus friends event a young persons Symphony Orchestra was formed totalling 80+ musicians, all performing and raising money for the Ukrainian Refugee Appeal. There was an excellent Gala concert held at the end of the Academic Year with the CMST Pupil of The Year Award being given to Rowan from North Cornwall. It was at this event that we celebrated the life of James Sargent who's bequest means that CMST will benefit from a £175k investment into Early Years Music Making.

CORNWALL MUSIC SERVICE TRUST

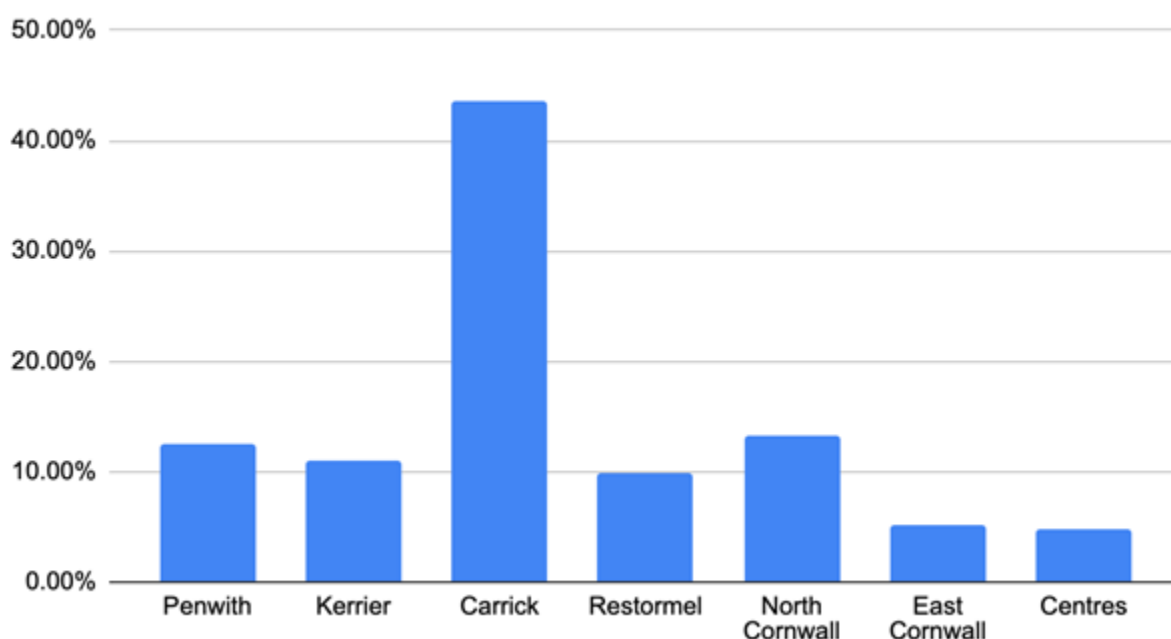
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Funding applications to grant making bodies such as Youth Music have been successful. In this example and with match funding from the James Sargent Early Years Music Education Trust a £29,000 fund will allow for collaboration between CMST's Early Years and Music Therapy Teams which will culminate in a conference in Cornwall in late Spring Early Summer. On the matter of funding 2021/2022 also saw the opportunity for CMST to become the lead organisation for the Cornwall Music Education Hub after a request to novate the funding to CMST from Cornwall Council was put to Arts Council England. After a long protracted period of hard work by a core team within CMST, which ultimately led to the funding being put out to public tender, the contract was awarded to the ASONE CIC. This newly formed community interest company, which has plans to develop a film and recording studio at a redundant Air field, have had to react quickly to the decision by Arts Council England and there have been some initial challenges which CMST has supported ASONE to overcome. However this model may be short lived as Arts Council England are now in a consultation phase regarding Music Education Hubs which will ultimately see less hubs across England meaning that Cornwall could become part of a large Music Education Hub in 2024.

Therefore as the future looks to be uncertain in regards to investment and funding from the Department for Education through Arts Council England it is even more important to focus on our core business model. To this end a recent data analysis has been completed with the results laid bare below. This allows CMST to identify where the cold spots are both geographically and within certain instrumental families in order that informed strategies can be developed and implemented.

Area As Percentage of Overall Delivery

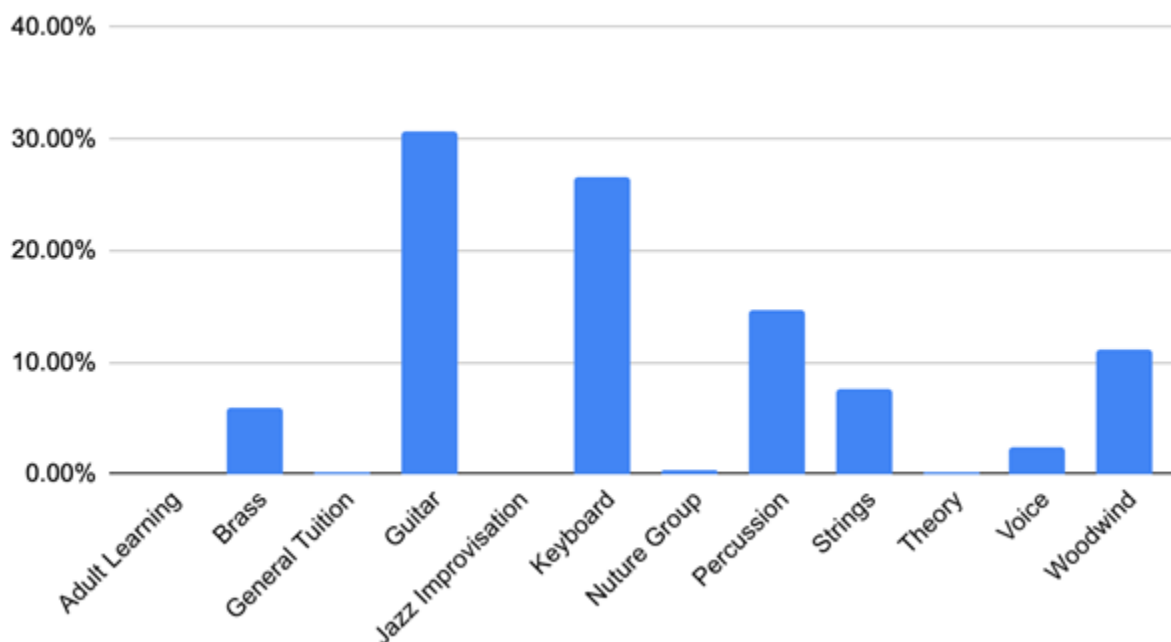


CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Disciple As Percentage of Overall Delivery



There are further subsets of this data including an analysis of instrument by area plus instrument by discipline but the above data gives a broad overview of how much provision is happening in the areas managed by CMST Area Leads as well as an analysis of which instruments are currently popular or not. It is interesting to note that the instruments that form the basis of many of Cornwall's ensembles are relatively low in numbers compared to other instruments with Guitar proving to be the leading choice of instrument. Furthermore it is clear that all geographic areas are comparable apart from central Cornwall where there is a large proportion of overall delivery happening. CMST now has the ability to monitor this data more regularly through the new Xperios platform which will help monitor and if required react to changes in provision.

The Trustees are sad to report that not long after the period covered by these accounts the founding Chairman of CMST, David Fryer, sadly passed away after a short battle with Cancer. Mr Fryer's involvement in CMST (and many other local and national charities and arts organisations) has been crucial to its success. Jacqui Scarborough has stepped up as interim Chairperson and will ensure that the Board of Trustees governs well and that any gaps in skills are identified and addressed. The Board of Trustees have commissioned and ratified, through CMST's ED&I Lead, an ED&I strategy for CMST which will take into account all aspects of provision, leadership and governance.

The Trustees would like to offer their thanks to the hardwork and commitment of all CMST staff members. Trustees hope that the support offered through this very challenging time demonstrates and acknowledges how much every member of the team is valued

Fundraising and Development

The work towards increasing the development and fundraising activity within Cornwall Music Service Trust enables the fulfilment of its charitable objectives.

No professional fundraisers are used.

The Charity always adheres to best practice when working with vulnerable children and adults. Its safeguarding policy covers all areas of the Charity's activities including any fundraising activities.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

The Company's principal source of income is music tuition fees. All of Cornwall Music Trust's expenditure was spent in advancement of its charitable objectives.

The net outgoing resources for the year were £217,978 (2021: incoming resources £438,399).

Reserves Policy

The reserves policy of Cornwall Music Service Trust has been reviewed by the Board of Trustees during the year. Free reserves are regarded as those unrestricted funds that have not been designated for any specific purpose. At 31 August 2022 the Company had free reserves of £282,589.

The Board of Trustees have carefully considered the level of reserves appropriate to be held by Cornwall Music Service Trust necessary for contingencies and movements in working capital. Having regard to the likelihood of financial risks and mitigating factors including its group structure, it considers the maximum level of free reserves required to be the equivalent of 2 months of gross salary costs, approximately 17% of turnover. The trustees aim is to increase this to 4 months of gross salaries in the light of the effects of the Covid-19 pandemic.

The Board of Trustees have passed this proposal and Cornwall Music Service Trust is working towards accumulating the free reserves aforementioned.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Principal risks and uncertainties

Cornwall Music Service Trust through its Business Plan Development has undertaken a SWOT and PEST analysis. The 'threat' element which will be relevant to principal risks and uncertainties, has identified the following:

Political

- The general election in 2015 did not see change of national government, however change of policy (including funding to the Department of Education) may have a detrimental effect.
- "The Importance of Music Education: A National Plan for Music Education" is a long term vision until 2020
- Possible perception amongst other CMEH providers of bias towards CMST.
- Lack of tangible support from Cornwall Council
- Brexit may lead to political changes which at the moment are unclear
- No decision on CMEH funding has been confirmed past March 2020

Economic

- Cornwall is a deprived area according to the European Union definition.
- Cornwall has a high reliance on self-employment, leading to non-entitlement to benefits and financial hardship.
- Delayed or non-payment by parents/carers and/or schools.
- Delayed or non-payment by Cornwall Music Education Hub.
- Failure to win business from schools, CMEH or parents
- Removal of national funding for Music Education Hub programme.
- Central government cuts to budgets may require schools/other establishments to stop goodwill use of facilities.
- Cherry-picking of business by other providers
- Brexit creates uncertainty leading to reduction in funding opportunities available

Social

- Loss of goodwill due to incident or accident
- The peripherality and geography of Cornwall (distance to conservatoires etc)

Technological

- Technological failure (delivery or administrative)
- Cost of equipment for digital music provision
- Cost of buying and maintaining instruments
- Lack of ownership of suitable instruments for specialist ensembles

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Plans for Future Periods

Cornwall Music Service Trusts "Potential Future Activities" (detailed in its Business Plan), as drawn up by the Senior Management Team, after consultation with the key stakeholders, and as approved by the Board of Trustees, provides the focus for the future development of Cornwall Music Service Trust. In particular, the future activities embrace the aspirations of Cornwall Music Service Trust for teaching developments, the growth of marketing, pupil numbers, enhanced staffing and the development of its delivery.

- Expand current delivery to outreach to further educational establishments and other organisations
- Create a strong cohesion with Truro School thus providing a Music Centre for Cornwall
- Explore & develop Music Technology education and digital music provision
- Create an internal assessment programme for students for all musical disciplines
- Provide a highly professional service to schools, Further Education and Higher Education and the wider community
- Work closely with national and international musicians, educators, conductors and clinicians to provide the highest quality masterclasses and holiday music schools
- Explore funding for bespoke programmes of work
- Create an e-learning environment to support the initial stages of music education
- Develop Early Years Music Provision and Training for Early Years practitioners
- Nationwide consultancy on Music Service Trust Formation
- Online delivery via Skype and Online Orchestra software in collaboration with Falmouth University to provide delivery to the hardest to reach areas and connect musicians that are isolated
- Bespoke workshops and projects for schools and the wider community.
- Weekend and evening workshops, etc – ie – Saturday morning theory classes
- Summer school and holiday courses
- Digital technology projects
- Performance opportunities at all levels; large scale and smaller settings - CMST cluster performances - bring groups of schools together for a massed performance.
- CMST Schools Prom - An annual performance to all primary schools using CMST ensembles giving an educational experience and demonstration encouraging new young people to learn
- Advice on purchase of musical instruments and resources in school
- One off supply days - music cover

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

- Write new performance and teaching material - this could be for individual instruments or for small ensembles. It could then be sold to pupils both in Cornwall and elsewhere as CMST Publications.
- Twilight training sessions for teachers on a whole variety of musical techniques, skills and tasks. This might include setting up an ensemble, conducting skills, composition starting points, working towards a performance
- CPD presentations to Primary and Secondary Initial Teacher Training bodies - annual
- Secondary Head of Music Departments meetings and conferences
- Make the Cornwall Youth Jazz Festival an annual event
- Make the Cornwall Horn Festival an annual event
- Develop and expand Music Therapy provision
- Longer term; to look for funding to establish 'Music Centres' in the West and North & East of Cornwall along with collaborating with Truro School to find a central Music Centre
- After establishment of Music Centres appoint Area Managers to coordinate delivery in these areas
- Review management structure of CMST
- Review business plan and 5 year financial forecast in line with the above future plans as an ongoing activity
- Create a strong partnership with the City of London Symphonia including support in delivering their educational outreach programme
- Work closely and advise Trinity College of London or another national Music College on various aspects of delivery including but not exclusively the research element into the examination process and an online alternative
- Advise nationally on Early Years Music Education

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on the 16 October 2014 and registered as a charity on 15 December 2014. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Governing Body

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Board of Trustees are elected to serve for a period of three years after which they must be re-elected at the next General Meeting. All members of the Board of Trustees give their time voluntarily and received no benefits from the charity. As Cornwall Music Service Trust has many roles to play in the educational sector the Trustees have been selected for the wide and diverse skill base they have to offer. In an effort to maintain this broad skill mix, members of the Board of Trustees are requested to provide a list of their skills (and update it each year) and in the event of particular skill being lost due to retirements, individuals are approached to offer themselves for election to the Board of Trustees.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

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

D Fryer (Resigned 5 September 2022)

A Gordon-Brown

R Thomas

A Retallack

P Kneebone

J Bailey

B Wade (Resigned 4 October 2021)

D Solly

E Sibley

JA Scarborough

A Johnson

R Bates

J Brant

Recruitment and Training of Trustees

Trustees are nominated and appointed by the Board of Trustees. Appointments are for a period of three years which is renewable. The induction of new Trustees is the responsibility of the Chair and the Head of Service. All trustees, due to the nature of the work of Cornwall Music Service Trust, have enhanced Disclosure & Barring Service checks and are routinely updated on Safeguarding for Children and Vulnerable Adults.

Two new Trustees were appointed during the year.

Organisational Structure

The Board of Trustees for Cornwall Music Service Trust, which meets at least three times a year, are responsible for the general policy and strategic direction of Cornwall Music Service Trust. In addition the Board of Trustees are legally responsible for the overall management and control of Cornwall Music Service Trust. The work of implementing most of their policies and day to day management is delegated to the Head of Service, supported by his Senior Team Managers. At present there are 10 Trustees from a variety of professional backgrounds relevant to the work of Cornwall Music Service Trust who form the Board of Trustees. A Clerk to the Board of Trustees, who is not a Trustee, is responsible for ensuring timely agendas and accurate minutes for all Trustee meetings under the guidance of the Chair of Trustees and Head of Service.

National benchmarking is used in setting pay for key management personnel but always with the Charity's affordability in mind.

Related Parties

CMST will partner with a number of local organisations. These include the following:

Cornwall Music Education Hub for curriculum leadership, ensemble leadership, ensemble coordination, ensemble staffing, first access management and liaison, first access provision and minority instrument scheme delivery. Cornwall Council Local Authority for SEN delivery and inclusion delivery (disadvantaged families remissions funded). Cornwall's Schools for ensemble support, classroom support and curriculum delivery. Further Education Colleges & Higher Education Institutions for strategic links for service development and training of music teachers

Auditor

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

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

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.

The Trustees report, including the strategic report, was approved by the Board of Trustees.

.....

Trustee

Dated:

CORNWALL MUSIC SERVICE TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees, who are also the directors of Cornwall Music Service 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 charity 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 charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CORNWALL MUSIC SERVICE TRUST

Opinion

We have audited the financial statements of Cornwall Music Service Trust (the 'charity') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

In our evaluation of the directors' conclusion, we considered the risks associated with the charities business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the charities financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CORNWALL MUSIC SERVICE TRUST

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the charity 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CORNWALL MUSIC SERVICE TRUST

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the laws and regulations most significant to the charity, as well as the laws and regulations that have a direct impact on the preparation of the financial statements are: the Companies Act 2006, safeguarding regulations, data protection regulations, health and safety regulations and employment legislation.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Discussion with management as to how compliance with these laws and regulations is monitored;
- Review of the disclosures in the financial statements and testing to supporting documentation;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustees meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CORNWALL MUSIC SERVICE 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

(Senior Statutory Auditor)
for and on behalf of RRL LLP

.....

Chartered Accountants
Statutory Auditor

Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

CORNWALL MUSIC SERVICE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
Income and endowments from:							
Donations and legacies	3	71,174	64,618	135,792	809,264	353,783	1,163,047
Charitable activities	5	1,379,808	-	1,379,808	903,929	-	903,929
Investments	4	291	-	291	135	-	135
Other income	6	36,916	-	36,916	43,276	352	43,628
Total income		1,488,189	64,618	1,552,807	1,756,604	354,135	2,110,739
Expenditure on:							
Charitable activities	7	1,735,109	35,676	1,770,785	1,274,659	397,681	1,672,340
Net (expenditure)/income for the year/							
Net movement in funds		(246,920)	28,942	(217,978)	481,945	(43,546)	438,399
Fund balances at 1 September 2021		833,950	19,616	853,566	352,005	63,162	415,167
Fund balances at 31 August 2022		587,030	48,558	635,588	833,950	19,616	853,566

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.

CORNWALL MUSIC SERVICE TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		3,770		4,496
Current assets					
Debtors	15	145,329		254,517	
Cash at bank and in hand		706,681		863,221	
		852,010		1,117,738	
Creditors: amounts falling due within one year	17	(220,192)		(104,168)	
Net current assets			631,818		1,013,570
Total assets less current liabilities			635,588		1,018,066
Creditors: amounts falling due after more than one year	18		-		(164,500)
Net assets			635,588		853,566
Income funds					
Restricted funds	19		48,558		19,616
<u>Unrestricted funds</u>					
Designated funds	20	304,441		306,160	
General unrestricted funds		282,589		527,790	
			587,030		833,950
			635,588		853,566

The financial statements were approved by the Trustees on

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Trustee

Company registration number 09268124

CORNWALL MUSIC SERVICE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	26		(113,481)		379,996
Investing activities					
Purchase of tangible fixed assets		(1,350)		(943)	
Interest received		291		135	
Net cash used in investing activities			(1,059)		(808)
Financing activities					
Repayment of bank loans		(42,000)		(3,500)	
Net cash used in financing activities			(42,000)		(3,500)
Net (decrease)/increase in cash and cash equivalents			(156,540)		375,688
Cash and cash equivalents at beginning of year			863,221		487,533
Cash and cash equivalents at end of year			706,681		863,221

CORNWALL MUSIC SERVICE TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Critical accounting estimates and judgements

In the application of the charity'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.

2 Accounting policies

Company information

The charitable company is incorporated in England and Wales and is limited by guarantee and does not have a share capital. In the event of the Company being wound up each member is liable to contribute a sum not exceeding £1. There were 12 members at 31 August 2022 (2021: 12).

2.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). 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 charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

2.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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 financial statements.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

2 Accounting policies

(Continued)

2.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts.

2.5 Resources expended

Resources expended are accounted for on an accruals basis, inclusive of irrecoverable VAT. Costs of generating funds are those costs incurred in attracting voluntary income. Charitable activities comprise expenditure associated with teaching and school activities and include both direct and support costs.

Governance costs are those incurred in the governance of the charity and its assets and are associated with constitutional and statutory requirements.

2.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	33% straight line
---------	-------------------

2.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Instruments	25% straight line
Computer equipment	33% 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 the statement of financial activities.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

2 Accounting policies

(Continued)

2.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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 (if any).

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).

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.10 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

2 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.11 Taxation

As the company is a registered charity, it is exempt from corporation tax.

2.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

2.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and gifts	27,552	227	27,779	34,398
Grants receivable	43,622	64,391	108,013	1,128,649
	<u>71,174</u>	<u>64,618</u>	<u>135,792</u>	<u>1,163,047</u>
For the year ended 31 August 2021	<u>809,264</u>	<u>353,783</u>		<u>1,163,047</u>
Donations and gifts				
Cornwall Music Therapy Trust	-	-	-	22,322
Other	27,552	227	27,779	12,076
	<u>27,552</u>	<u>227</u>	<u>27,779</u>	<u>34,398</u>
Grants receivable for core activities				
Arts Council National Lottery Fund - Dalla Project	-	1,492	1,492	3,000
Creative Kernow - Cultivator Creative Investment Grant	-	2,953	2,953	-
Early Years Music Education	-	4,704	4,704	-
Government grants	43,622	-	43,622	774,866
Arts Council England - Queen's Platinum Jubilee Weekend Fund	-	5,000	5,000	-
BBC Children In Need Music Therapy Development Day	-	250	250	-
Cornwall Council Music Therapy	-	-	-	300
BBC Children In Need Music Therapy	-	9,500	9,500	9,500
Radford Trust	-	3,000	3,000	5,000
Arts Council Cultural Recovery Fund	-	37,492	37,492	335,983
	<u>43,622</u>	<u>64,391</u>	<u>108,013</u>	<u>1,128,649</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and legacies

(Continued)

Arts Council National Lottery Fund - Dalla Project - a grant has been received for £1,492 (2021: £3,000) to support Early Years Music Education.

Creative Kernow - Cultivator Creative Investment Grant - a grant has been received for £2,953 (2021: £Nil) to support the purchase of a studio recording kit.

Early Years Music Education - a grant has been received for £4,704 (2021: £Nil) to support Early Years Music Education.

HMRC - a grant has been received for £43,622 (2021: £774,866) to help with the furloughed staff whilst in a nationwide lockdown due to COVID-19.

Arts Council England - Queen's Platinum Jubilee Weekend - a grant has been received for £5,000 (2021: £Nil) to support the activities as part of Her Majesty The Queen's Platinum Jubilee celebrations.

BBC Children In Need Music Therapy Development Day - a grant has been received for £250 (2021: £Nil) to support the provision of a Music Therapy Development Day.

Cornwall Council Music Therapy - a grant has been received for £Nil (2021: £300) to support the requisition of instruments required for Music Therapy delivery.

BBC Children In Need Music Therapy - a grant has been received for £9,500 (2021: £9,500) to support Music Therapy provision.

Radford Trust - a grant has been received for £3,000 (2021: £5,000) to support children and young people who were financially disadvantaged due to COVID-19 and otherwise would not be able to continue receiving music education.

Arts Council Cultural Recovery Fund - a grant has been received for £37,492 (2021: £335,983) to support core costs, including salary top up and reflation reserves, due to restrictions encountered because of COVID-19.

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	291	135

5 Charitable activities

	2022	2021
	£	£
Music tuition fees	1,379,808	903,929

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

6 Other income

	Unrestricted Fund 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	2021 £
Other income	36,916	43,276	352	43,628

7 Charitable activities

	Unrestricted Fund £	Restricted Fund £	2022 £	2021 £
Staff costs	1,479,897	28,646	1,508,543	1,541,497
Depreciation and impairment	2,076	-	2,076	638
Other teaching costs	-	-	-	2,141
Premises costs	15,314	-	15,314	6,837
Charitable publicity	3,201	-	3,201	2,850
Finance costs	7,421	-	7,421	1,472
Bad debts written off	113,049	-	113,049	-
Amortisation	-	-	-	714
Studio rental	9,927	-	9,927	7,679
	1,630,885	28,646	1,659,531	1,563,828
Share of support costs (see note 11)	99,600	7,030	106,630	100,473
Share of governance costs (see note 11)	4,624	-	4,624	8,039
	1,735,109	35,676	1,770,785	1,672,340
For the year ended 31 August 2021				
Unrestricted funds	-	-		1,274,659
Restricted funds	-	-		397,681
	-	-		1,672,340

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Teaching	110	117
Administration	3	3
Total	113	120

Employment costs

	2022 £	2021 £
Wages and salaries	1,376,222	1,403,279
Social security costs	86,494	90,685
Other pension costs	45,827	47,533
	1,508,543	1,541,497

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£60,000 to £70,000	-	1
£70,001 to £80,000	1	-

11 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Support costs	103,630	-	103,630	97,629	97,629
Non-audit remuneration - taxation services	3,000	-	3,000	2,844	2,844
Audit fees	-	3,300	3,300	-	3,000
Legal and professional	-	1,324	1,324	-	5,039
	106,630	4,624	111,254	100,473	108,512
Analysed between Charitable activities	106,630	4,624	111,254	100,473	108,512

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

12 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2022 £	2021 £
Audit of the annual accounts	3,300	3,000
	=====	=====
Non-audit services		
All other non-audit services	5,728	5,413
	=====	=====

13 Intangible fixed assets

	Website £
Cost	
At 1 September 2021 and 31 August 2022	3,360
	=====
Amortisation and impairment	
At 1 September 2021 and 31 August 2022	3,360
	=====
Carrying amount	
At 31 August 2022	-
	=====
At 31 August 2021	-
	=====

14 Tangible fixed assets

	Instruments £	Computer equipment £	Total £
Cost			
At 1 September 2021	5,304	2,739	8,043
Additions	1,350	-	1,350
	=====	=====	=====
At 31 August 2022	6,654	2,739	9,393
	=====	=====	=====
Depreciation and impairment			
At 1 September 2021	1,025	2,522	3,547
Depreciation charged in the year	2,023	53	2,076
	=====	=====	=====
At 31 August 2022	3,048	2,575	5,623
	=====	=====	=====
Carrying amount			
At 31 August 2022	3,606	164	3,770
	=====	=====	=====
At 31 August 2021	4,279	217	4,496
	=====	=====	=====

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	136,766	249,720
Other debtors	2,567	4,797
Prepayments and accrued income	5,996	-
	<u>145,329</u>	<u>254,517</u>

16 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>164,500</u>	<u>206,500</u>
Payable within one year	164,500	42,000
Payable after one year	<u>-</u>	<u>164,500</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>-</u>	<u>161,313</u>

The long-term loan is secured by way of a debenture over fixed and floating assets of the charity.

The loan is repayable by instalments and interest charged at 3.19%. The loan was repaid in full in October 2022.

17 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	16	164,500	42,000
Other taxation and social security		26,577	50,402
Trade creditors		21,517	7,655
Other creditors		<u>7,598</u>	<u>4,111</u>
		<u>220,192</u>	<u>104,168</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	16	-	164,500

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 2020	Incoming resources	Resources expended	Balance at 1 September 2021	Incoming resources	Resources expended	Balance at 31 August 2022
	£	£	£	£	£	£	£
Creative Kernow	-	-	-	-	2,953	(2,953)	-
Cornwall Community Fund - E							
Learning	3,000	352	(3,352)	-	-	-	-
Arts Council - Queen's Platinum Jubilee	-	-	-	-	5,000	(5,000)	-
Arts Council - Early Years - Dalla Project	11,212	3,000	(14,212)	-	1,492	(1,492)	-
Early Years Music Education	30,000	-	-	30,000	4,704	-	34,704
Children in Need	8,950	9,500	(2,150)	16,300	9,750	(23,901)	2,149
MusicNet East	10,000	-	-	10,000	-	-	10,000
Cornwall Council - Music Therapy	-	300	-	300	-	(300)	-
Radford Trust	-	5,000	(4,492)	508	3,227	(2,030)	1,705
Arts Council Culture Recovery Fund	-	335,983	(373,475)	(37,492)	37,492	-	-
	<u>63,162</u>	<u>354,135</u>	<u>(397,681)</u>	<u>19,616</u>	<u>64,618</u>	<u>(35,676)</u>	<u>48,558</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Restricted funds

(Continued)

Details of the purpose of the restricted funds is as follows:

Creative Kernow: Funding for video studio recording kit.

Cornwall Community Fund - E Learning: Funding for E-Learning website.

Arts Council - Queen's Platinum Jubilee: Funding to support the activities as part of Her Majesty The Queen's Platinum Jubilee celebrations.

Arts Council Early Years - Dalla Project: Funding from National lottery fund for Early Years Music.

Early Years Music Education: Donation from James Sargent (Trustee) for Early Years Music Education Service.

Children in Need: Funding for the provision of Music Therapy primarily for children in hospital.

MusicNet East: Funding to provide band based music project at Falmouth School for children in challenging circumstances.

Cornwall Council Music Therapy: Funding to support the requisition of instruments required for Music Therapy delivery.

Radford Trust Covid grant: Funding to support children and young people who were financially disadvantaged due to COVID-19 and otherwise would not be able to continue receiving music education.

Arts Council Culture Recovery Fund: Funding to support core costs, including salary top up and reflatting reserves due to restrictions encountered because of COVID-19.

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				
	Balance at 1 September 2020	Incoming resources	Balance at 1 September 2021	Resources expended	Balance at 31 August 2022
	£	£	£	£	£
Deficit reserve	300,000	-	300,000	-	300,000
Mark Wilkin Memorial Bursary	6,160	-	6,160	(1,719)	4,441
	<u>306,160</u>	<u>-</u>	<u>306,160</u>	<u>(1,719)</u>	<u>304,441</u>

The deficit reserve has been earmarked by the trustees to cover staff salaries for the period of 2 months should there be a temporary drop in income.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £45,827 (2021: £47,533).

Included in creditors at the year end was £6,942 (2021: £1,780) in respect of the defined contribution pension scheme.

22 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:						
Tangible assets	3,770	-	3,770	4,496	-	4,496
Current assets/(liabilities)	583,260	48,558	631,818	993,954	19,616	1,013,570
Long term liabilities	-	-	-	(164,500)	-	(164,500)
	<u>587,030</u>	<u>48,558</u>	<u>635,588</u>	<u>833,950</u>	<u>19,616</u>	<u>853,566</u>

23 Operating lease commitments

Payments in connection with operating leases during the year totalled £15,314 (2021: £6,837). At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	<u>15,314</u>	<u>6,837</u>

24 Related party transactions

No trustees was reimbursed for expenses in the year (2021: £Nil).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>97,583</u>	<u>88,825</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

25 Analysis of changes in net funds

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	863,221	(156,540)	706,681
Loans falling due within one year	(42,000)	(122,500)	(164,500)
Loans falling due after more than one year	(164,500)	164,500	-
	<u>656,721</u>	<u>(114,540)</u>	<u>542,181</u>

26 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(217,978)	438,399
Adjustments for:		
Investment income recognised in profit or loss	(291)	(135)
Amortisation and impairment of intangible assets	-	714
Depreciation and impairment of tangible fixed assets	2,076	638
Movements in working capital:		
Decrease/(increase) in debtors	109,188	(80,922)
(Decrease)/increase in creditors	(6,476)	21,302
Cash (absorbed by)/generated from operations	<u>(113,481)</u>	<u>379,996</u>

Accounts

CORNWALL MUSIC SERVICE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

CORNWALL MUSIC SERVICE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	D Fryer A Gordon-Brown R Thomas A Retallack P Kneebone J Bailey D Solly E Sibley JA Scarborough A Johnson R Bates J Brant	 (Appointed 26 April 2021) (Appointed 26 April 2021)
Charity number	1159622	
Company number	09268124	
Registered office	Truro School Trennick Lane TRURO Cornwall TR1 1TH	
Auditor	RRL LLP Peat House Newham Road TRURO Cornwall TR1 2DP	
Bankers	Barclays Bank Plc 1 Churchill Place LONDON E14 5HP	
Solicitors	Foot Anstey LLP High Water House Malpas Road TRURO Cornwall TR1 1QH	

CORNWALL MUSIC SERVICE TRUST

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CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report and financial statements for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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 2016)"

Objectives and activities

Charitable Objects (for the Public Benefit)

- to advance education within the framework of the arts for the benefit of the public of Cornwall and elsewhere
- to advance the arts and culture for the benefit of the public, particularly but not exclusively by promoting and facilitating access to and performance of music and other art forms
- to provide for the recreation of children, young people and adults for the benefit of the public by providing facilities and services to them in the interests of social welfare with the object of improving their conditions of life.
- to promote and provide for the public benefit music therapy for the relief of physical and mental illness and disability, the alleviation of developmental, emotional, social and behavioural difficulties and the protection and promotion of good health in children and adults, in particular, but not exclusively, in Cornwall and the Isles of Scilly.

Aims

Our Vision

We aspire to become a leading Music Service in the United Kingdom.

Our Mission

To offer high quality music and performing arts education and related opportunities that support the aspirations of children, young people and adults in Cornwall and beyond.

Our Values

Our work will be guided by our commitment to the following values:

Quality: We strive for excellence through continuous improvement in all areas of our work.

Inclusiveness: We respect people, value diversity and are committed to equality and open access.

Inspiration: We encourage imaginative and creative approaches in our activities.

Innovation: We welcome new developments and their application in music education.

Health and Wellbeing: We believe in the health and wellbeing benefits of engagement with music.

Caring: We believe in an understanding and compassionate ethos for our staff, students and all those we engage with.

Collaboration: We foster strong partnerships and links with other organisations and individuals.

Enjoyment: We see this as one of the hallmarks of our success.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

Our broad objectives can be grouped as follows:

Learner Experience

- Identify and nurture talent of all abilities across all levels and stages, from learners that are just embarking on their first musical experiences to those who are exceptionally gifted and talented and demonstrate high levels of excellence
- Be inclusive; to reach all learners including those that are socially, educationally, geographically, physically or financially challenged
- Ensure that our curricula are ethnically and culturally diverse and inclusive
- Develop a range of formal and non-formal teaching methods that engage and encourage all learners
- Provide exciting and engaging performance opportunities
- Support and develop an Ensemble Network for instrumental and vocal performers (including adult learners)
- Provide and signpost opportunities for progression
- Develop a formal annual reporting system to facilitate feedback to students and their parents/carers
- Develop a system of bursaries to support the Learner Experience

Partnership with Educational Establishments

- Support educational establishments in recognising the value of music
- Exercise our influence in the provision of suitable environments for musical activities
- Engage, where possible with the latest research and development in music education
- Promote partnerships with a wide range of organisations including schools, colleges, universities, conservatoires and wider educational establishments
- Encourage dialogue with the informal and independent teaching sector, especially with the aim of promoting good teaching practice and teacher development

Service Development

- Develop an Early Years Music Strategy
- Develop a Vocal Strategy
- Develop a sustainable First Access programme
- Maintain a strong working relationship with Cornwall Music Education Hub, whilst being prepared for changes in national policy
- Make bids and applications for grant funding to other organisations with a view to increasing or enhancing our services
- Explore working with other performing art forms
- Maintain and develop Music Therapy

Organisational Framework

- Maintain a financially sustainable organisation
- Provide a safeguarded teaching environment that protects learners and teachers
- Develop a Quality Assurance Strategy
- Develop a robust system for staff appraisal and development
- Develop our Health and Wellbeing Strategy
- Identify and provide opportunities for developing the skills of Trustees and the effectiveness of the Board of Trustees
- Make best use of appointed advisers and friends scheme

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

Activities

Cornwall Music Service Trust provides music education for in excess of 10,000 pupils across all key stages and including further and higher education.

Cornwall Music Service Trust devotes significant time and resources to engagement with the local community, further details of which are given in the Public Benefit section below.

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Bursary and Grant Making Policy

Access to music education we offer should not be restricted to those who can afford our fees. As a registered provider for the Cornwall Music Education Hub, an arm of Cornwall Council, Cornwall Music Service Trust can offer subsidised activities to those children currently eligible for means tested free school meals, children currently in care, children with one or more parents serving in the British Armed Forces, children or a parent in receipt of Disability Living Allowance and children with a Statement of Special Educational Needs. In addition Cornwall Music Service Trust offers, on an application and audition basis, an award scheme to those children who, at all levels, show exceptional talent. A successful candidate will be entitled to a subsidised one to one lesson funded internally by Cornwall Music Service Trust.

Volunteers

Three working groups of volunteers have been established by the Board of Trustees these being: Funding Working Group - established to look at all aspects of fundraising including potential funding opportunities from external bodies and working within the Terms & Conditions set by the Board of Trustees. Advisory Panel - a panel of educators, musicians etc. that can be called upon for external advice to support and aid the Board of Trustees and Head of Service. Early Years Steering Group - following its objectives and aims, Cornwall Music Service Trust has embarked on an Early Years Music Service for 0-5s. To effectively implement this delivery CMST has called upon and will continue to draw upon the expertise of many Early Years practitioners.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance

Cornwall Music Service Trust faced another challenging academic 2020/2021 year. After a phased and partial reintroduction into educational settings at the start of September 2020 a further lockdown in January 2021 curtailed much of the in person delivery. Opposed to previous lockdown measures children were committed heavily to homeschooling which created timetabling challenges for CMST staff to deliver lessons virtually, consequently delivery during the 3rd lockdown was very minimal. This was also relevant to much of the other activities CMST is accustomed to delivering, in particular ensemble rehearsals and performances were all cancelled but certain groups did embark on virtual projects but the enthusiasm for such projects was waning.

It was during this period where focus on training and developing MusicEI was given. Staff were able to access online courses for statutory training requirements such as Safeguarding and Child Protection and were also encouraged to explore non-compulsory but recommended training courses to help their professional development. MusicEI development, being the reaction to the pandemic and the new initiative for online learning courses for CMST students, was able to continue course creation and allowed children to engage with courses that had already been created. Engagement with the platform so far has been modest but recently the MusicEI platform has been presented at the national Music Mark conference gaining much interest from other Music Services and Hubs.

After the third lockdown was lifted there was much work done to give settings confidence that it was safe and more than needed for CMST to return to in person delivery wherever appropriate. This is where the new management structure cited in last year's Trustees report realised its true potential. The Area Leads having a geographical targeted, personal approach meant that many more schools opened their doors to CMST staff more readily than if many individuals had tried to negotiate this with settings. These Area Leads who were supported by Cross Service and Instrumental Leads could draw on the work of the Head of Service who produced detailed risk assessments and Health and Safety policies to show settings that along with national guidelines music needed to be back at the heart of schools. A considered and risk assessed approach allowed for the majority of the other activities that CMST was used to delivering could be put back into action. There were some elements that didn't happen as planned such as the annual CMST summer school and sadly some musicians disengaged from ensemble music making due to finding other interests.

Importantly CMST was able to demonstrate to external funders that projects could be modified and still delivered to satisfy funding requirements. One such example is the Dalla Project funded by Arts Council England. This project was an Early Years Music initiative that flipped to an online alternative immediately. Materials were shared digitally and in reality there was a wider engagement than would have been experienced if the project had been delivered in person. Early Years Music will see a change in senior leadership with Ann Stott retiring and after a successful interview the appointment of Emily Garrod as her replacement. Early Years Music will have substantial support over the coming years due to the creation of the James Sargent Early Years Music Education Trust (JSEYMET). JSEYMET was established by former Trustee James Sargent who sadly passed away in March 2020. His bequeathed estate has meant a substantial investment in JSEYMET which the sole beneficiary is to be CMST.

During this very turbulent time CMST supported it's staff exceptionally well. Mental health and wellbeing was core to our approach and financially staff have and continue to be supported so that no one is disadvantaged due to the pandemic. Furthermore CMST managed to develop the organisation by absorbing a long standing Music Therapy charity, Cornwall Music Therapy Trust (CMTT). The absorption also gave rise to how best to govern the cash assets received from CMTT which in turn informed the decision to create the Music Therapy Steering Group. The creation of this group which has appropriate terms of reference from the Board of Trustees of CMST has brought together a wider representation of people and organisations that are passionate about Music Therapy, a very positive step for the clients Music Therapy serves.

Further success in Cultural Recovery Grant Funding was also witnessed in the year ended 2021. This crucial funding has enabled CMST to develop its offer to children and young people along with supporting its network of professionals who are the greatest asset CMST has.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising and Development

The work towards increasing the development and fundraising activity within Cornwall Music Service Trust enables the fulfilment of its charitable objectives.

No professional fundraisers are used.

The Charity always adheres to best practice when working with vulnerable children and adults. Its safeguarding policy covers all areas of the Charity's activities including any fundraising activities.

Financial review

The Company's principal source of income is music tuition fees. All of Cornwall Music Trust's expenditure was spent in advancement of its charitable objectives.

The net incoming resources for the year were £438,399 (2020: Outgoing resources £21,938).

Reserves Policy

The reserves policy of Cornwall Music Service Trust has been reviewed by the Board of Trustees during the year. Free reserves are regarded as those unrestricted funds that have not been designated for any specific purpose. At 31 August 2021 the Company had free reserves of £527,790.

The Board of Trustees have carefully considered the level of reserves appropriate to be held by Cornwall Music Service Trust necessary for contingencies and movements in working capital. Having regard to the likelihood of financial risks and mitigating factors including its group structure, it considers the maximum level of free reserves required to be the equivalent of 2 months of gross salary costs, approximately 17% of turnover. The trustees aim is to increase this to 4 months of gross salaries in the light of the effects of the Covid-19 pandemic. The trustees are pleased to report an increase in unrestricted funds of £481,945 in the year.

The Board of Trustees have passed this proposal and Cornwall Music Service Trust is working towards accumulating the free reserves aforementioned.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

Cornwall Music Service Trust through its Business Plan Development has undertaken a SWOT and PEST analysis. The 'threat' element which will be relevant to principal risks and uncertainties, has identified the following:

Political

- The general election in 2015 did not see change of national government, however change of policy (including funding to the Department of Education) may have a detrimental effect.
- "The Importance of Music Education: A National Plan for Music Education" is a long term vision until 2020
- Possible perception amongst other CMEH providers of bias towards CMST.
- Lack of tangible support from Cornwall Council
- Brexit may lead to political changes which at the moment are unclear
- No decision on CMEH funding has been confirmed past March 2020

Economic

- Cornwall is a deprived area according to the European Union definition.
- Cornwall has a high reliance on self-employment, leading to non-entitlement to benefits and financial hardship.
- Delayed or non-payment by parents/carers and/or schools.
- Delayed or non-payment by Cornwall Music Education Hub.
- Failure to win business from schools, CMEH or parents
- Removal of national funding for Music Education Hub programme.
- Central government cuts to budgets may require schools/other establishments to stop goodwill use of facilities.
- Cherry-picking of business by other providers
- Brexit creates uncertainty leading to reduction in funding opportunities available

Social

- Loss of goodwill due to incident or accident
- The peripherality and geography of Cornwall (distance to conservatoires etc)

Technological

- Technological failure (delivery or administrative)
- Cost of equipment for digital music provision
- Cost of buying and maintaining instruments
- Lack of ownership of suitable instruments for specialist ensembles

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for Future Periods

Cornwall Music Service Trusts "Potential Future Activities" (detailed in its Business Plan), as drawn up by the Senior Management Team, after consultation with the key stakeholders, and as approved by the Board of Trustees, provides the focus for the future development of Cornwall Music Service Trust. In particular, the future activities embrace the aspirations of Cornwall Music Service Trust for teaching developments, the growth of marketing, pupil numbers, enhanced staffing and the development of its delivery.

- Expand current delivery to outreach to further educational establishments and other organisations
- Create a strong cohesion with Truro School thus providing a Music Centre for Cornwall
- Explore & develop Music Technology education and digital music provision
- Create an internal assessment programme for students for all musical disciplines
- Provide a highly professional service to schools, Further Education and Higher Education and the wider community
- Work closely with national and international musicians, educators, conductors and clinicians to provide the highest quality masterclasses and holiday music schools
- Explore funding for bespoke programmes of work
- Create an e-learning environment to support the initial stages of music education
- Develop Early Years Music Provision and Training for Early Years practitioners
- Nationwide consultancy on Music Service Trust Formation
- Online delivery via Skype and Online Orchestra software in collaboration with Falmouth University to provide delivery to the hardest to reach areas and connect musicians that are isolated
- Bespoke workshops and projects for schools and the wider community.
- Weekend and evening workshops, etc – ie – Saturday morning theory classes
- Summer school and holiday courses
- Digital technology projects
- Performance opportunities at all levels; large scale and smaller settings - CMST cluster performances - bring groups of schools together for a massed performance.
- CMST Schools Prom - An annual performance to all primary schools using CMST ensembles giving an educational experience and demonstration encouraging new young people to learn
- Advice on purchase of musical instruments and resources in school
- One off supply days - music cover

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

- Write new performance and teaching material - this could be for individual instruments or for small ensembles. It could then be sold to pupils both in Cornwall and elsewhere as CMST Publications.
- Twilight training sessions for teachers on a whole variety of musical techniques, skills and tasks. This might include setting up an ensemble, conducting skills, composition starting points, working towards a performance
- CPD presentations to Primary and Secondary Initial Teacher Training bodies - annual
- Secondary Head of Music Departments meetings and conferences
- Make the Cornwall Youth Jazz Festival an annual event
- Make the Cornwall Horn Festival an annual event
- Develop and expand Music Therapy provision
- Longer term; to look for funding to establish 'Music Centres' in the West and North & East of Cornwall along with collaborating with Truro School to find a central Music Centre
- After establishment of Music Centres appoint Area Managers to coordinate delivery in these areas
- Review management structure of CMST
- Review business plan and 5 year financial forecast in line with the above future plans as an ongoing activity
- Create a strong partnership with the City of London Symphonia including support in delivering their educational outreach programme
- Work closely and advise Trinity College of London or another national Music College on various aspects of delivery including but not exclusively the research element into the examination process and an online alternative
- Advise nationally on Early Years Music Education

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on the 16 October 2014 and registered as a charity on 15 December 2014. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Governing Body

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Board of Trustees are elected to serve for a period of three years after which they must be re-elected at the next General Meeting. All members of the Board of Trustees give their time voluntarily and received no benefits from the charity. As Cornwall Music Service Trust has many roles to play in the educational sector the Trustees have been selected for the wide and diverse skill base they have to offer. In an effort to maintain this broad skill mix, members of the Board of Trustees are requested to provide a list of their skills (and update it each year) and in the event of particular skill being lost due to retirements, individuals are approached to offer themselves for election to the Board of Trustees.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

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

D Fryer

A Gordon-Brown

R Thomas

A Retallack

P Kneebone

J Bailey

B Wade

(Resigned 4 October 2021)

D Solly

E Sibley

JA Scarborough

A Johnson

R Bates

(Appointed 26 April 2021)

J Brant

(Appointed 26 April 2021)

Recruitment and Training of Trustees

Trustees are nominated and appointed by the Board of Trustees. Appointments are for a period of three years which is renewable. The induction of new Trustees is the responsibility of the Chair and the Head of Service. All trustees, due to the nature of the work of Cornwall Music Service Trust, have enhanced Disclosure & Barring Service checks and are routinely updated on Safeguarding for Children and Vulnerable Adults.

Two new Trustees were appointed during the year.

Organisational Structure

The Board of Trustees for Cornwall Music Service Trust, which meets at least three times a year, are responsible for the general policy and strategic direction of Cornwall Music Service Trust. In addition the Board of Trustees are legally responsible for the overall management and control of Cornwall Music Service Trust. The work of implementing most of their policies and day to day management is delegated to the Head of Service, supported by his Senior Team Managers. At present there are 10 Trustees from a variety of professional backgrounds relevant to the work of Cornwall Music Service Trust who form the Board of Trustees. A Clerk to the Board of Trustees, who is not a Trustee, is responsible for ensuring timely agendas and accurate minutes for all Trustee meetings under the guidance of the Chair of Trustees and Head of Service.

National benchmarking is used in setting pay for key management personnel but always with the Charity's affordability in mind.

Related Parties

CMST will partner with a number of local organisations. These include the following:

Cornwall Music Education Hub for curriculum leadership, ensemble leadership, ensemble coordination, ensemble staffing, first access management and liaison, first access provision and minority instrument scheme delivery. Cornwall Council Local Authority for SEN delivery and inclusion delivery (disadvantaged families remissions funded). Cornwall's Schools for ensemble support, classroom support and curriculum delivery. Further Education Colleges & Higher Education Institutions for strategic links for service development and training of music teachers

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

Employee involvement

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Disabled persons

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

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

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.

The Trustees report, including the strategic report, was approved by the Board of Trustees.

D Fryer

Trustee

Dated: 10 February 2022

CORNWALL MUSIC SERVICE TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees, who are also the directors of Cornwall Music Service 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 charity 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 charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CORNWALL MUSIC SERVICE TRUST

Opinion

We have audited the financial statements of Cornwall Music Service Trust (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the charities future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the charities future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CORNWALL MUSIC SERVICE TRUST

Conclusions relating to going concern

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

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

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

In our evaluation of the directors' conclusion, we considered the risks associated with the charities business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the charities financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 and the strategic 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 strategic report and the directors' report included within the Trustees report have been prepared in accordance with applicable legal requirements.

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CORNWALL MUSIC SERVICE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the charity 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CORNWALL MUSIC SERVICE TRUST

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the laws and regulations most significant to the charity, as well as the laws and regulations that have a direct impact on the preparation of the financial statements are: the Companies Act 2006, safeguarding regulations, data protection regulations, health and safety regulations and employment legislation.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Discussion with management as to how compliance with these laws and regulations is monitored;
- Review of the disclosures in the financial statements and testing to supporting documentation;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustees meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CORNWALL MUSIC SERVICE 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.

Mark Williams (Senior Statutory Auditor)
for and on behalf of RRL LLP

11 February 2022

Chartered Accountants
Statutory Auditor

Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

CORNWALL MUSIC SERVICE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income and endowments from:							
Donations and legacies	3	809,264	353,783	1,163,047	468,625	16,430	485,055
Charitable activities	5	903,929	-	903,929	942,927	-	942,927
Investments	4	135	-	135	704	-	704
Other income	6	43,276	352	43,628	43,217	-	43,217
Total income		1,756,604	354,135	2,110,739	1,455,473	16,430	1,471,903
Expenditure on:							
Charitable activities	7	1,274,659	397,681	1,672,340	1,491,623	2,218	1,493,841
Net income/(expenditure) for the year/ Net movement in funds		481,945	(43,546)	438,399	(36,150)	14,212	(21,938)
Fund balances at 1 September 2020		352,005	63,162	415,167	388,155	48,950	437,105
Fund balances at 31 August 2021		833,950	19,616	853,566	352,005	63,162	415,167

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.

CORNWALL MUSIC SERVICE TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	13	-		714	
Tangible assets	14	4,496		4,191	
			4,496		4,905
Current assets					
Debtors	15	254,517		173,595	
Cash at bank and in hand		863,221		487,533	
		1,117,738		661,128	
Creditors: amounts falling due within one year	17	(104,168)		(47,866)	
Net current assets		1,013,570		613,262	
Total assets less current liabilities		1,018,066		618,167	
Creditors: amounts falling due after more than one year	18	(164,500)		(203,000)	
Net assets		853,566		415,167	
Income funds					
Restricted funds	19	19,616		63,162	
<u>Unrestricted funds</u>					
Designated funds	20	306,160		306,160	
General unrestricted funds		527,790		45,845	
		833,950		352,005	
		853,566		415,167	

The financial statements were approved by the Trustees on 10 February 2022

D Fryer
Trustee

Company Registration No. 09268124

CORNWALL MUSIC SERVICE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	26		379,996		17,239
Investing activities					
Purchase of tangible fixed assets		(943)		(342)	
Interest received		135		704	
Net cash (used in)/generated from investing activities			(808)		362
Financing activities					
(Repayment)/receipt of bank loans		(3,500)		210,000	
Net cash (used in)/generated from financing activities			(3,500)		210,000
Net increase in cash and cash equivalents			375,688		227,601
Cash and cash equivalents at beginning of year			487,533		259,932
Cash and cash equivalents at end of year			863,221		487,533

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Company information

The charitable company is incorporated in England and Wales and is limited by guarantee and does not have a share capital. In the event of the Company being wound up each member is liable to contribute a sum not exceeding £1. There were 12 members at 31 August 2021 (2020: 10).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). 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 charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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 financial statements.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Resources expended are accounted for on an accruals basis, inclusive of irrecoverable VAT. Costs of generating funds are those costs incurred in attracting voluntary income. Charitable activities comprise expenditure associated with teaching and school activities and include both direct and support costs.

Governance costs are those incurred in the governance of the charity and its assets and are associated with constitutional and statutory requirements.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	33% straight line
---------	-------------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Instruments	25% straight line
Computer equipment	33% 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 the statement of financial activities.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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 (if any).

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

As the company is a registered charity, it is exempt from corporation tax.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity'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.

CORNWALL MUSIC SERVICE TRUST

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

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations and gifts	34,398	-	34,398	23,292
Grants receivable	774,866	353,783	1,128,649	461,763
	<u>809,264</u>	<u>353,783</u>	<u>1,163,047</u>	<u>485,055</u>
For the year ended 31 August 2020	<u>468,625</u>	<u>16,430</u>		<u>485,055</u>
Donations and gifts				
Cornwall Music Therapy Trust	22,322	-	22,322	-
Other	12,076	-	12,076	23,292
	<u>34,398</u>	<u>-</u>	<u>34,398</u>	<u>23,292</u>
Grants receivable for core activities				
Arts Council National Lottery Fund - Dalla Project	-	3,000	3,000	13,430
Duchy Health Charity - E Learning	-	-	-	5,000
Covid-19 Response	-	-	-	4,955
Government grants	774,866	-	774,866	425,378
Cornwall Council grant	-	-	-	10,000
Cornwall Community Foundation - E Learning	-	-	-	3,000
Cornwall Council Music Therapy	-	300	300	-
BBC Children In Need Music Therapy	-	9,500	9,500	-
Radford Trust Covid grant	-	5,000	5,000	-
Arts Council Cultural Recovery Fund	-	335,983	335,983	-
	<u>774,866</u>	<u>353,783</u>	<u>1,128,649</u>	<u>461,763</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and legacies

(Continued)

HMRC - a grant has been received for £774,866 (2020: £425,378) to help with the furloughed staff whilst in a nationwide lockdown due to COVID-19.

Cornwall Council - a grant has been received for £Nil (2020: £10,000). The local restrictions support grant has been issued to help businesses during the national lockdown and COVID-19 outbreak.

Duchy Health Charity - a grant has been received for £Nil (2020: £5,000) to be spent in relation with the E learning website.

Cornwall Community Fund - a grant has been received for £Nil (2020: £3,000) to be spent in relation with the E learning website.

COVID-19 Response - a grant has been received for £Nil (2020: £4,955) to be spent in relation to music therapy provided by the National Lottery.

Arts Council Culture Recovery Fund - grants of £335,983 (2020: £Nil) to support core costs, including salary top up and reflation reserves, due to restrictions encountered because of COVID-19.

Cornwall Council Music Therapy - £300 (2020: £Nil) has been granted to support the requisition of instruments required for Music Therapy delivery.

BBC Children In Need Music Therapy - £9,500 (2020: £8,950) has been granted from Children In Need to support Music Therapy provision.

Radford Trust Covid Grant - £5,000 was granted to support children and young people who were financially disadvantaged due to COVID-19 and otherwise would not be able to continue receiving music education.

4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	135	704
	<u>135</u>	<u>704</u>

5 Charitable activities

	2021	2020
	£	£
Music tuition fees	903,929	942,927
	<u>903,929</u>	<u>942,927</u>

CORNWALL MUSIC SERVICE TRUST

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

6 Other income

	Unrestricted Fund £	Restricted Fund £	2021 £	2020 £
Other income	43,276	352	43,628	43,217

7 Charitable activities

	Unrestricted Fund £	Restricted Fund £	2021 £	2020 £
Staff costs	1,204,248	337,249	1,541,497	1,399,233
Depreciation and impairment	638	-	638	655
Other teaching costs	2,141	-	2,141	14,029
Premises costs	6,837	-	6,837	9,116
Charitable publicity	2,850	-	2,850	936
Finance costs	1,472	-	1,472	2,180
Bad debts written off	-	-	-	(10,000)
Amortisation	714	-	714	131
Studio rental	7,679	-	7,679	-
	1,226,579	337,249	1,563,828	1,416,280
Share of support costs (see note 11)	40,041	60,432	100,473	70,938
Share of governance costs (see note 11)	8,039	-	8,039	6,623
	1,274,659	397,681	1,672,340	1,493,841
For the year ended 31 August 2020				
Unrestricted funds	-	-		1,491,623
Restricted funds	-	-		2,218
	-	-		1,493,841

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

CORNWALL MUSIC SERVICE TRUST

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

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Teaching	117	114
Administration	3	3
Total	120	117

Employment costs

	2021 £	2020 £
Wages and salaries	1,403,279	1,278,261
Social security costs	90,685	76,722
Other pension costs	47,533	44,250
	1,541,497	1,399,233

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2021 Number	2020 Number
£60,000 to £70,000	1	-

11 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Support costs	97,629	-	97,629	68,598	-	68,598
Non-audit remuneration - taxation services	2,844	-	2,844	2,340	-	2,340
Audit fees	-	3,000	3,000	-	2,950	2,950
Legal and professional	-	5,039	5,039	-	3,673	3,673
	100,473	8,039	108,512	70,938	6,623	77,561
Analysed between Charitable activities	100,473	8,039	108,512	70,938	6,623	77,561

CORNWALL MUSIC SERVICE TRUST

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

12 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2021 £	2020 £
Audit of the annual accounts	3,000	2,950
	=====	=====
Non-audit services		
All other non-audit services	5,413	6,478
	=====	=====

13 Intangible fixed assets

	Website £
Cost	
At 1 September 2020 and 31 August 2021	3,360
	=====
Amortisation and impairment	
At 1 September 2020	2,646
Amortisation charged for the year	714
	=====
At 31 August 2021	3,360
	=====
Carrying amount	
At 31 August 2021	-
	=====
At 31 August 2020	714
	=====

CORNWALL MUSIC SERVICE TRUST

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

14 Tangible fixed assets

	Instruments	Computer equipment	Total
	£	£	£
Cost			
At 1 September 2020	4,361	2,739	7,100
Additions	943	-	943
At 31 August 2021	5,304	2,739	8,043
Depreciation and impairment			
At 1 September 2020	559	2,350	2,909
Depreciation charged in the year	466	172	638
At 31 August 2021	1,025	2,522	3,547
Carrying amount			
At 31 August 2021	4,279	217	4,496
At 31 August 2020	3,802	389	4,191

15 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	249,720	173,595
Other debtors	4,797	-
	254,517	173,595

16 Loans and overdrafts

	2021	2020
	£	£
Bank loans	206,500	210,000
Payable within one year	42,000	7,000
Payable after one year	164,500	203,000
Amounts included above which fall due after five years:		
Payable by instalments	161,313	163,334
Payable other than by instalments	-	39,666
	161,313	203,000

CORNWALL MUSIC SERVICE TRUST

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

16 Loans and overdrafts (Continued)

The long-term loan is secured by way of a debenture over fixed and floating assets of the charity.

The loan is repayable by instalments after a 12 month repayment holiday and interest charged at 3.19%.

17 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	16	42,000	7,000
Other taxation and social security		50,402	27,248
Trade creditors		7,655	9,588
Other creditors		4,111	4,030
		<u>104,168</u>	<u>47,866</u>

18 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	16	<u>164,500</u>	<u>203,000</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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	Balance at 1 September 2020	Incoming resources	Resources expended	Balance at 31 August 2021
	£	£	£	£	£	£	£
Cornwall Community Fund - E Learning	-	3,000	-	3,000	352	(3,352)	-
Arts Council - Early Years - Dalla Project	-	13,430	(2,218)	11,212	3,000	(14,212)	-
Early Years Music Education	30,000	-	-	30,000	-	-	30,000
Children in Need	8,950	-	-	8,950	9,500	(2,150)	16,300
MusicNet East	10,000	-	-	10,000	-	-	10,000
Cornwall Council - Music Therapy	-	-	-	-	300	-	300
Radford Trust	-	-	-	-	5,000	(4,492)	508
Arts Council Culture Recovery Fund	-	-	-	-	335,983	(373,475)	(37,492)
	<u>48,950</u>	<u>16,430</u>	<u>(2,218)</u>	<u>63,162</u>	<u>354,135</u>	<u>(397,681)</u>	<u>19,616</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Restricted funds

(Continued)

Details of the purpose of the restricted funds is as follows:

Early Years Music Education: Donation from James Sargent (Trustee) for Early Years Music Education Service.

Children in Need: Funding for the provision of Music Therapy primarily for children in hospital.

MusicNet East: Funding to provide band based music project at Falmouth School for children in challenging circumstances.

Arts Council Early Years - Dalla Project: Funding from National lottery fund for Early Years Music.

Cornwall Community Foundation: Funding for E-Learning website.

Cornwall Council Music Therapy: Funding to support the requisition of instruments required for Music Therapy delivery.

Radford Trust Covid grant: Funding to support children and young people who were financially disadvantaged due to COVID-19 and otherwise would not be able to continue receiving music education.

Arts Council Culture Recovery Fund: Funding to support core costs, including salary top up and reflatting reserves due to restrictions encountered because of COVID-19.

Further funding is due to be received from the Arts Council Culture Recovery Fund after the year end to match expenditure made in the current year and which will reduce the overdrawn fund to a breakeven position.

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds		
	Balance at 1 September 2019	Incoming resources	Balance at 1 September 2020	Incoming resources	Balance at 31 August 2021
	£	£	£	£	£
Deficit reserve	300,000	-	300,000	-	300,000
Mark Wilkin Memorial Bursary	6,160	-	6,160	-	6,160
	<u>306,160</u>	<u>-</u>	<u>306,160</u>	<u>-</u>	<u>306,160</u>

The deficit reserve has been earmarked by the trustees to cover staff salaries for the period of 2 months should there be a temporary drop in income.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £47,533 (2020: £44,250).

Included in creditors at the year end was £1,780 (2020: £Nil) in respect of the defined contribution pension scheme.

22 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 August 2021 are represented by:						
Intangible fixed assets	-	-	-	714	-	714
Tangible assets	4,496	-	4,496	4,191	-	4,191
Current assets/ (liabilities)	993,954	19,616	1,013,570	550,100	63,162	613,262
Long term liabilities	(164,500)	-	(164,500)	(203,000)	-	(203,000)
	<u>833,950</u>	<u>19,616</u>	<u>853,566</u>	<u>352,005</u>	<u>63,162</u>	<u>415,167</u>

23 Operating lease commitments

Payments in connection with operating leases during the year totalled £6,837 (2020: £9,116). At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	<u>6,837</u>	<u>13,674</u>

CORNWALL MUSIC SERVICE TRUST

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

24 Related party transactions

No Trustees was reimbursed for expenses in the year (2020: £Nil).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	88,825	93,557

25 Analysis of changes in net funds

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	487,533	375,688	863,221
Loans falling due within one year	(7,000)	(35,000)	(42,000)
Loans falling due after more than one year	(203,000)	38,500	(164,500)
	277,533	379,188	656,721

26 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	438,399	(21,938)
Adjustments for:		
Investment income recognised in profit or loss	(135)	(704)
Amortisation and impairment of intangible assets	714	131
Depreciation and impairment of tangible fixed assets	638	655
Movements in working capital:		
(Increase)/decrease in debtors	(80,922)	175,067
Increase/(decrease) in creditors	21,302	(135,972)
Cash generated from operations	379,996	17,239