

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

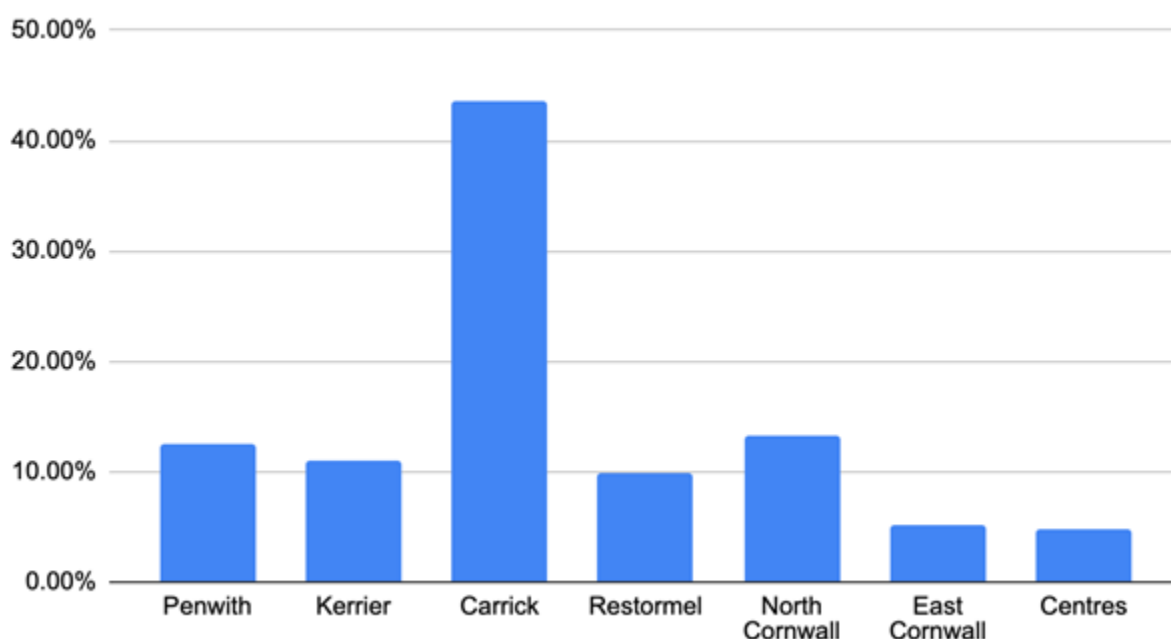
TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

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

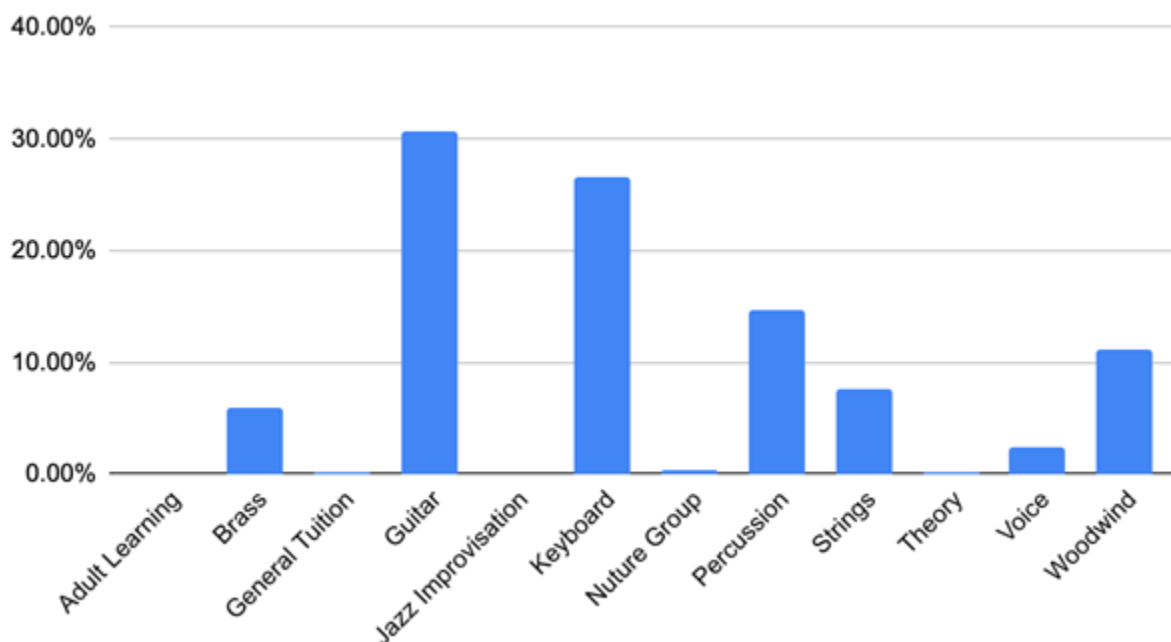


CORNWALL MUSIC SERVICE TRUST

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.

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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>