

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	6				
Other Education		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		<u>99,547</u>	<u>-</u>	<u>99,547</u>	<u>36,916</u>
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	8				
Other Education		<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 costs £	Totals £
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>