

**Registered number: 1673689**  
**Charity number: 284555**

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS  
BERKSHIRE MAESTROS)**

**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**  
**(A company limited by guarantee)**

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**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**Trustees**

R Belshaw  
A Butler  
J Carroll  
D Harris  
C Hyde (resigned 12 March 2022)  
A Jackson  
A Knight  
R May (appointed 24 January 2023)  
A Pollard, Chairman  
C Robinson (resigned 16 March 2022)  
R Roscoe (resigned 12 March 2022)  
M Rouco (resigned 3 October 2022)  
L Williams (appointed 24 January 2023)  
S Williams (appointed 24 January 2023)

The trustees retiring by rotation and putting themselves forward for reelection are A Knight, J Carroll and R Belshaw.

**Company registered number**

1673689

**Charity registered number**

284555

**Registered office**

Stoneham Court, 100 Cockney Hill, Reading, Berkshire, RG30 4EZ

**Chief executive officer**

Dawn Wren

**Independent auditor**

James Cowper Kreston Audit, 2 Communications Road, Greenham Business Park, Greenham, Newbury, Berkshire, RG19 6AB

**Bankers**

Barclays Bank Plc, Business Centre, PO Box 6193, Basingstoke, Hampshire, RG21 3RX

CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Solicitors**

Field Seymour Parkes Solicitors, The Old Coroner's Court, 1 London Street, PO Box 174, Reading, Berkshire,  
RG1 4QW

**Actuaries**

Hymans Robertson, One London Wall, London, EC2Y 5EA

## **THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**

**(A company limited by guarantee)**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees, who are all directors of the company, present their annual report together with the audited financial statements for the year ended 31 August 2022. The trustees confirm that the accounts comply with the Companies Act 2006 and the Charities Act 2011, have been prepared in accordance with the revised Statement of Recommended Practice 'Accounting and Reporting by Charities' (FRS 102) 2019 and comply with the company's Memorandum and Articles of Association, which is the company's governing document.

The Berkshire Young Musicians Trust ('Berkshire Maestros') is a Registered Charitable Company limited by guarantee and incorporated as a company registered under the name the Berkshire Young Musicians Trust. On 25 August 1982 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.

#### **Executive Summary**

2021-2022 was a year of re-growth following the impact of the global pandemic on the previous two years. Throughout this period Berkshire Maestros has striven to keep delivering high quality musical opportunities for young people.

The academic year started positively with schools reopening however we still faced an Autumn with an increase in Covid cases which meant we had to prepare flexibly for some events. Student numbers steadily increased throughout the year and this has enabled us to maintain and end the year in a solid financial position from which to continue the growth in student numbers and continue offering a range of musical opportunities to young people and adults across Berkshire.

None of this would have been possible without the hard work and dedication of our staff – the teaching staff who continued to provide lessons, ensembles and school activities through a variety of formats as well as the support teams, who keep everything running in the background and support our customers and pupils.

#### **Objectives and activities**

Berkshire Maestros exists to provide a high quality, comprehensive musical experience to the widest group of pupils, regardless of their background or ability. We work with schools and a wide range of professional and voluntary sector partners to provide an innovative range of creative and performance opportunities for our students.

On behalf of Arts Council England (ACE), Berkshire Maestros leads the Berkshire Music Education Hub and is responsible for the delivery of the National Plan for Music Education (NPME) across Berkshire.

Our objectives are delivered through individual and group tuition in voice and a variety of instruments in schools and in four large music centres in Bracknell, Newbury, Reading and Windsor as well as three smaller satellite centres in Caversham, Emmbrook and Bulmershe. Wokingham Borough students attend the music centres in Bracknell and Reading as well as the two Wokingham satellite centres above. Tuition is supplemented by a wide range of ensembles and other extension activities at all levels. Services are contracted directly to parents and carers of students, to schools and to Arts Council England who are responsible for the distribution and management of the Music Education Grant provided by the Department for Education (DfE).

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Public Benefit**

The trustees review Berkshire Maestros' Public Benefit commitments annually. The services provided: music education and promotion of the arts, are both defined within the Charities Act 2006 as charitable activities. The company has comprehensive anti-discriminatory policies that are regularly reviewed to ensure compliance. These policies cover all discrimination including financial hardship for which a number of restricted funds have been created to assist students from such backgrounds. Provision of financial assistance is not limited to students of families who qualify for assistance from 'Pupil Premium'. The trustees recognise that students from families whose income is only a little above the level to qualify for 'Pupil Premium' but contend with the high cost of living in Berkshire, may also require support and these applications are looked upon favourably. We operate a 'Sponsor a Child' fund to assist children and young people in this category.

**Our vision – Teaching Music. Changing Lives**

**Belief:** We believe in the power of music to change lives.

**Vision Statement:** All children and young people in Berkshire will experience an inspirational, high-quality musical education and the joy of making music with others.

**Mission Statement:**

Berkshire Maestros is the lead organisation of the Berkshire Music Education Hub. Through our passion for music making, creativity, expertise and excellence, we aim to deliver the highest quality musical education to meet the aspirations and needs of every child, young musician, school and music leader in Berkshire. We aim to inspire and empower our young musicians and create life-enhancing, enjoyable and sustainable musical opportunities through providing first access and coherent, progressive pathways and enable our community to achieve their potential, develop and celebrate through music. We will consistently fulfil our promise of 'Teaching Music, Changing Lives' through delivering outstanding value, continuous innovation and exceptional quality - we will bring the best to everyone we reach.

**Core Values:**

- Ambition and access for every child and young person
- Excellence in practice
- Commitment to our partnerships and community working
- Respect, professionalism, and investment in our colleagues
- Effective and evolving communication
- Positive and proactive approach
- Determination to drive continuous improvement and embrace change

**Strategic aims 2018-2022**

- We will become the preferred provider of musical services across Berkshire, known and respected for our passion for high standards, the high quality of our teaching and our commitment to create exceptional and accessible musical opportunities for all children and young people regardless of circumstance
- We will provide an unrivalled breadth of choice, diversity and range of opportunities enabling our young musicians to achieve their potential whilst ensuring that all musical activities are rewarding, inspiring and sustainable
- Give all children a first access to instrumental learning and clear, sustainable progression routes, co-ordinating and assuring a high quality of instrumental and vocal tuition, ensemble provision and other music-making activities
- We will be at the leading edge of music education, doing what others cannot do, embracing and driving change and challenging what is possible through creativity and innovation
- We will be a credit to the community we serve by developing and sustaining inspirational partnerships with local and professional music providers, contributing to raising musical standards in schools and the wider community

## THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)

(A company limited by guarantee)

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

- We will listen to our customers and key stakeholders to enable us to continually improve, embracing the notion that Maestros is at their service, meeting or exceeding our customers' expectations whilst providing excellent value for money
- We will ensure that our customer service and communication is second-to-none so that our staff, students, schools and partners can depend on us to deliver a consistent high quality service supporting them to achieve the best possible outcomes for our pupils, their families and the community
- We will attract, develop and retain a high qualified and talented workforce committed to our ethos and core values, creating and sustaining opportunities for professional growth

The strategy from 2023 onwards has been developed throughout 2022 with input from all stakeholders. This new strategy is designed to move the company forward in a post-pandemic world with a clear focus on inclusion and innovation.

#### Achievements, performance and KPIs

As lead organisation for Berkshire Maestros Music Education Hub, we continue to fully implement the NPME, including all core and extension roles. In the annual feedback letter from Arts Council England, our particular strengths have been cited as:

- The Hub was able to demonstrate the outcomes from its new inclusion programme and fully-staffed partnership team. This has seen re-activated partnership working supporting the engagement of young people in places previously not reached by the hub - e.g. Readipop's delivery in Pupil Referral Units, work with Berkshire Youth and the establishment of a music centre in a youth centre in West Berkshire. This shows a positive focus on diversifying delivery, which is very relevant post covid.
- Berkshire Music Education Hub has a strong track record in engagement with Core Roles. This year, the Hub reported 100% engagement with schools, which is well above national average of 86%.
- WCET (Whole Class Ensemble Tuition) was lower than the Hub's historically high figures. With total schools engaged at 36%, lower than national average of 43%. This may be due to challenges returning to schools after covid and the Hub needing to add a small charge to schools. Despite this 10.55% of pupils engaged in WCET compared to 5.2% National Average, which shows that schools that did engage were strongly committed.
- The Hub reported delivering 359 ensembles, which is a significant increase but there is a long way to go to reach pre-covid figures of over 1,000. However, the Hub had maintained engagement with young people during lockdown is well placed to return to delivery.
- The Hub now has full-staffing capacity and benefits such as school engagement are apparent.
- The audit of the Hub's governance group was well carried out with a comprehensive review of the skills and representation of the Hub and clear priorities for future recruitment. It demonstrates that the Hub has a clear idea of the value of inclusion and how to measure representation.

ACE has assessed the level of risk attached to the DfE funding as minor risk compared to a moderate risk in the last financial year.

#### Early Years

Our Early Years work is returning from being significantly impacted by the pandemic and we worked hard to build back again to pre-Covid numbers across the year. There is no denying that financial concerns for families are having an impact on this sort of activity however we are continuing to champion the benefits of music at an early age. We launched the Berkshire Early Years Music Network (BEYMN) aimed at anyone working in Berkshire with under 5's. Membership to this includes triannual e-bulletins, access to the BEYMN Facebook page to share ideas and resources and regular CPD sessions.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

First Access

First Access (government funded whole class instrumental programme) continued to be well received in schools despite the fact that we had to introduce a small charge in September 2021 to ensure we were still able to provide the service cost-effectively. 114 schools signed up which was a 13% decrease from the previous year, however there was an increase in the number of children participating as schools signed up more classes (an increase of 11% from 5,970 children to 6,630 children). Noticeably, there were 10 new schools signed-up for 2021-2022 and 25 returning schools who didn't have First Access in 2019-2020. Due to 24 schools taking up the full three term offer, the progression from First Access increased. We continued to support the iCollege in West Berkshire (alternative provision for learners unable to access mainstream education) with a band project using guitars/keys/drums and including song-writing and recording.

Instrumental & Vocal Tuition in Schools & Music Centres

We continued to provide a wide range of opportunities to children and young people including instrumental and vocal lessons. Our student numbers increased steadily over the year however we would like to have seen greater growth here. The majority of our teachers were observed with a new Teaching & Learning Policy in place. We supplemented our weekly provision with a variety of holiday courses as well as music theory lessons for Grade 5 and Grades 6-8.

We formed a new partnership with Berkshire Youth, in particular in hiring a space as part of their Youth and Community Centre in Newbury. We equipped the space with a range of contemporary instruments and music technology equipment with a view to opening a contemporary music centre and safe space for young people to make, create and perform music. We undertook some trial courses in the Spring and Summer terms and gathered feedback from young people as to what activity they would like to see. Regular sessions will start in this space from September 2022.

Ensembles, County Groups & Events

September 2021 saw a return to regular ensemble rehearsals apart from the very start of term with some large wind and brass groups maintaining outdoor rehearsals. We were able to resume concerts with live audiences in indoor spaces, which was incredibly special having not been able to do that for some time. We were particularly pleased that the County Choir and Orchestra were able to tour to Scotland in August having not been able to tour since 2018.

We were able to resume our 'Have a Go' events which enable young people from all over the County to come and try out several instruments before making a decision about which one they would like to learn. We also held three competitions: Berkshire Young Singer, Young Guitarist and Young Pianist of the year, in partnership with the Windsor Festival.

Our Soundstage rock and pop bands performed at the Readipop Festival for the first time and we started regular youth music nights championing young singer/songwriters/musicians and giving them a platform to perform.

We held concerts in wonderful venues both in Berkshire and outside of Berkshire, from The Hexagon to Dorchester Abby. We also worked with professional artists such as Bob Chilcott, Brindley Sherratt and John Traill.

Instrument Hire Scheme

We continued to run a successful instrument hire scheme which helped children and young people access a range of instruments. We continued to hire out over 7,000 instruments in 2021-2022, this was a decrease of 10% on last year due to the lower number of children learning an instrument.

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)****(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022****Support for Schools**

We offered Continuing Professional Development (CPD) for schools both online and face to face in order to maximise accessibility for staff working in schools. Topics covered included the new Model Music Curriculum Scheme of Work, Sampling, Drill & Grime Production, Composition and Improvisation and Singing Games for EYFS & KS1. We send school newsletters out twice a term to communicate our offer to schools clearly and to help open up those conversations with schools. Through the Hub's partnership with Charanga, supporting schools with CPD and Training has benefited 62 teachers from 49 schools. Our School Development Managers continue to build relationships with schools and discuss ways in which the Music Hub can further support music in schools.

**Singing Strategy**

The singing strategy continues to be implemented and updated according to local need. The two Singing Development Coordinators have established themselves successfully amongst schools in their area and continue to support schools and colleagues to enable high quality singing from a young age. The Junior Music Festivals returned with over 1,000 children participating across three events through the year. These were all hugely successful with incredibly positive feedback from parents and teachers alike 'Just wanted to say a huge thank you for all your hard work with the Junior Music Festival last Thursday. It was amazing! So much thought had gone into the whole production – loved the junk band and also the way the orchestra introduced each instrument to the children. So much learning going on there! Our children had a brilliant time and thoroughly enjoyed themselves.'

**Partnerships**

We continue to have a strong focus on partnerships as demonstrated by our Senior Leader role (Partnerships, Progression & Development) as well as our Middle Leader role of Partnerships & Inclusion Development Manager. Both colleagues have worked on maintaining current partners as well as seeking out new partners where the need arises. We have found that there have been an increase in organisations seeking to collaborate with us as news of our new inclusive approach has been broadcast. We have fully embedded our relationships with Readipop and Culture Mix, two large cultural organisations that share the same values and aims as us in working with young people. We have worked closely with both partners this year, both delivering alongside them as well as commissioning them to deliver on our behalf. New partners include: Aspire2 (a local charity that aims for all children in all areas of Reading to have an equal opportunity to access enrichment activities), Bradfield College (independent school in Bradfield), Norden Farm (centre for the arts in Maidenhead) and Brighter Futures for Children (delivering children's social care, early help and prevention and educational services in Reading). We continue to work in partnership with Berkshire Youth most notably in running bi-monthly youth music nights for young people to have a safe space to share and practice their singing/song-writing/playing and performing. We continue to provide tailored music activities with Berkshire Vision to ensure appropriate activities for their young people.

**Examinations**

We continued to run Trinity and ABRSM exam sessions for our students with a slight decrease in total entries from 745 last year to 634 exam entries in 2021-2022. Of these 40% passed, 39% gained a merit and 16% gained a distinction. 9.4% of the total number of entries were Grade 8, this is an increase of 52 entries compared to last year. 35% of the Grade 8 entries achieved a distinction, 55% achieved a merit and 10% passed. 1.4% of the total number of entries were for ARSM/Advanced Certificate/Diploma level, this was an increase of 5 entries compared to last year. 44% of the ARSM/Certificate entries achieved a distinction and 56% of them achieved a merit.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Funding**

We successfully bid for the following funding during the year:

- £500 from the Golsoncott Foundation for a GCSE music composition project
- £5,000 from Music Mark for a GCSE music composition project
- £4,967 from the Greenham Trust & West Berks for Singing Cafes
- £252 from Bracknell Branch Parkinsons UK for Singing Cafes
- £250 from Thatcham Town Council for Singing Cafes

**Technology**

Through the Hub's continued partnership with Charanga, take up of the Hub's digital learning support for core and extension roles continues to grow. Charanga is a multi-hub online learning platform through which schools, instrumental teachers, and children and young people access a variety of online musical digital technology support programmes, as well as training and CPD. In 2021-2022, 164 schools were provided with access to the Charanga Musical School programme where its musical digital technology was used in 33,116 hours of teaching.

We have continued to make large strides in our use of digital technology in order to improve processes and systems within our Business Operations team. We continue to use Microsoft and Office 365 to support us in a hybrid way of working including MS Teams, MS Planner, MS Forms and SharePoint. More use of digital resources has moved us away from paper-based systems and we invested in two add-ons to our financial software that will enhance this further and take away the need to print invoices/PO's etc. Meetings with stakeholders, trustees, staff and other partners have continued to be online or hybrid and remain an advantageous way to have meetings.

We are now utilising a sign-in app and tablet to tighten up safeguarding our staff and students at music centres. These have now been rolled out to all our music centres.

With a purchase of iPads two years ago thanks to some funding, as well as some training on accessible music-making, we have been using the iPads more to support some of the inclusion work that we do. One of our tutors uses them at 'Swings and Smiles' which is a setting for disabled children and their families – here they have been using 'Thumb Jam' and 'Keezy' to make music.

**Impact of Covid**

The Autumn Term saw some cautiousness on the return of some of our larger activities due to Covid waves (ensembles and our Junior Music Festival) however we were well-versed to offer alternative solutions with ensembles rehearsing outdoors and live streamed festivals. All activities were back to normal by the start of the Spring Term however we continued to make use of online delivery/activities when teachers were self-isolating. The financial impact continued to be felt as our student numbers increased very slowly throughout the year.

**Equality, Diversity & Inclusion**

We successfully implemented Year 1 of our 4 year inclusion strategy with 72% of actions completed and a further 28% of actions in progress. A lot of the focus in Year 1 was on staff training and awareness, however we also delivered 8 separate inclusion projects in different settings ranging from SEND settings to Alternative Provisions. Further work on staff training will take place in 22-23 and we will be seeking funding in order to be able to deliver more of this vital work across Berkshire.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Financial review**

The financial results are set out in the Statement of Financial Activities and demonstrate a deficit for the year of £490,217 (2021: surplus of £766,238).

In order to comply with accounting standards and, in particular FRS 102 Post-Employment Benefits, resources expended include a charge of £311,000 (2021: £243,000) for pension costs relating to the Defined Benefit Pension Scheme for administrative staff. This accounting standard requires that the pensions liability is recognised as the benefits are earned, not when they are due to be paid, and accordingly an estimate of the liabilities accrued for the period is provided by the scheme's actuary (for full details see note 25). This adjustment is calculated at the year-end and is not monitored throughout the year when reviewing operating finances of the company. The total value of the pension scheme liability at 31 August 2022 is £443,000 (2021: £3,468,000) as shown in the balance sheet.

For operational purposes, the trustees use the "Operating surplus/(deficit)" of the unrestricted funds as a more meaningful performance measure. The unrestricted operating loss for the period was £98k (2021: surplus £308k) as shown below:

	<b>2022</b>		<b>2021</b>	
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Restricted</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Income	3,422	1,179	2,974	2,365
Expenditure	(3,520)	(1,267)	(2,666)	(1,734)
Operating surplus / (deficit)	(98)	(88)	308	631
FRS 102 adjustment	(311)	0	(243)	0
Unrealised investment gain	7	0	71	0
Net income / (expenditure)	(402)	(88)	136	631

Operational results have continued to reflect a year of challenge. Government funding from ACE was unaffected, but the Culture Recovery Fund (CRF) grants from the DCMS (Department for Digital, Culture, Media and Sport) came to an end in the financial year 2020-21. There was no income received from CRF grants in the year ending 31st August 2022 (2021: £1,158,986) which affected our financial results in terms of the restricted income in 2022. In accordance with the SORP Section 5.8, all of the restricted income relating to CRF has been recognised in the last financial year ending 31st August 2021, however some of the associated restricted operating expenditure (£290,324) was incurred in the year ending 31st August 2022 as shown in note 19.

Student numbers steadily increased throughout the year and this has enabled us to maintain and end the year in a solid financial position from which to continue the growth in student numbers and continue offering a range of musical opportunities to young people and adults across Berkshire. As a result, our fees from lessons and ensembles including their Gift Aid claims contributed £3,055,368 (2021: £2,590,067) to unrestricted income.

It has not been possible to raise additional income from subletting rooms at Stoneham Court or to raise the usual level of fundraising at live performances due to reduced occurrence of events. This will have a knock-on impact on the value of income raised through Orchestra Tax.

Action has continued to be taken throughout this post pandemic period to seek additional funding and to reduce costs wherever possible. Some staff opted to reduce their contracted hours which has also resulted in salaries and wages decreasing while offsetting the effect of discontinuation of funding from the Covid-19 Job Retention Scheme grant (2021: £163k).

Although some savings have been made on running costs, overheads were largely unaffected, with Music Centre premises costs remaining payable under the contractual terms.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Income**

Overall total income decreased year on year to £4,601k (2021: £5,339k):

- Fees from parent paid and school lessons and ensembles showed an increase at £3,055k (2021: £2,590k), as a result of resumed activity levels.
- Government funding increased to £1,165k (2021: £1,158k). These are restricted funds provided specifically to support delivery of the National Plan for Music Education through first access programmes and music hub activities together with funding from the Department for Education to support the Teachers Pension Scheme.
- Other income raised through music related activities such as examinations, concerts, instrument hire was increased to £315k (2021: £182k).
- No furlough scheme income was received (2021: £163k)
- No Culture Recovery Fund income was received (2021: £1,159k)

**Expenditure**

Total expenditure showed an increase to £5,099k (2021: £4,643k):

- Contracted staff costs were lower at £3,324k (2021: £3,409k) as a result of reduced recruitment.
- Fees paid to self-employed staff were increased to £337k (2021: £222k) due to the resumption of normal teaching activities.
- Event costs were increased to £131k (2021: £17k) thanks to the resumption of some concerts with live audiences.
- Governance costs were increased to £28k (2021: £25k)

**Cashflow**

There was a net inflow of cash during the year with cash balances of £1,227k (2021: £1,134k) at year end.

**Restricted funds**

The total value of restricted funds held at the year-end is £40k (2021: £328k). The funding received from ACE was used to directly support our activities as leader of the Berkshire Music Education Hub, with no balance carried forward. Other restricted funds relate to donations specifically provided by individuals or organisations to provide financial support for students in the form of fee assistance or donated instruments. The Covid-19 hardship fund has been continued and carried forward to the next year, specifically supporting children whose families are suffering financial hardship as a result of the pandemic as shown in note 19.

**Defined benefit pension scheme**

Actuaries used financial assumptions for determining the defined benefit obligation for accounting which were linked to high quality corporate bond yields and the rate of future inflation as the discounted rate. As of 31st August 2022, the bond yield rate was higher at all terms (4.25%) than at 31 August 2021 (ranging from 1.5% to 1.65%). A higher discount rate will result in a lower value being placed on the defined benefit obligation and an improvement in the overall position, as a result it recorded an actuarial gain of £3.34m during the year (2021: loss of £315k).

**Principal risks and uncertainties**

The trustees have a risk management strategy which comprises an annual review of the risks Berkshire Maestros may face and establishes systems and procedures to mitigate those risks identified.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees consider the major risks facing Berkshire Maestros are:

- Arts Council England funding continues to be confirmed on a one-year cycle, currently confirmed until March 2024, giving limited forward certainty on this portion of our funding.
- Underfunding of the two defined benefit pension schemes, the Teachers Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). This could result in additional provisions in the accounts and/or an increase in costs.
- Uncertainty created by the current economic climate and the impact of Brexit, music lessons being an early victim of any downturn in the economy.
- Rises in inflation and increased living costs affecting ability to pay staff adequately and potentially limiting increasing our fees.

**Reserves policy**

The trustees reviewed their reserves policy during the last financial year in light of the Covid-19 pandemic. It was agreed to maintain the existing threshold of reserves (three times the average regular monthly expenditure) as being adequate against costs and that the funds invested with Ruffer should only be divested as a last resort.

The level of expendable reserves at 31 August 2022 is the unrestricted funds of £2,785,677 less tangible fixed assets £1,575,493, a total of £1,210,184, far better than our target reserve £1.1 million approximately 3 months' expenditure.

**Structure, governance and management**

**Constitution**

The Berkshire Young Musicians Trust (operating as Berkshire Maestros) is registered as a Charitable Company limited by guarantee and was set up by a Memorandum of Association.

**Trustee Board**

The company is managed by a trustee board. The board is ultimately responsible for the activities and performance of the company. However, day to day management is delegated to the Chief Executive supported by a Senior Leadership Team.

The board seeks to have a range of trustees with relevant skills and experience. In June 2022, an audit of the board skills and experience was undertaken to assess the current breadth of experience and skills, identify any gaps and to enable the recruitment of new trustees with relevant skills and experience. This process will be undertaken annually by the nominations committee as part of a planned trustee recruitment cycle.

In addition to the trustees there are also representatives from the Local Authorities:

P Gittings (Reading), S Kerr (Wokingham), G Bernard (Bracknell Forest) and L Walters (Royal Borough of Windsor & Maidenhead). West Berkshire Council did not have a representative during this year. Three representatives from Berkshire Maestros Staff Association and the Chair of the Berkshire Maestros Youth Advisory Board are also invited to attend Board meetings (these representatives do not have trustee powers).

**Election and appointment of trustees**

The Articles of Association require that each year one third of the board retire and, if eligible, seek re-election at the Annual General Meeting. New trustees appointed within the year are required to stand for re-election at the first Annual General Meeting following their appointment.

Each trustee undertakes induction training which consists of a briefing by the Chief Executive and Chair of trustees on their roles and responsibilities. They are furnished with a range of information and literature for future reference. Emphasis is placed on the legal status and responsibilities of a trustee. An annual update on trustees' obligations and requirements together with issues facing charities has been introduced from 2012.

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

Governance

The full board meets at least six times a year to consider overall performance, future direction and strategy. Committees comprising trustees, the CEO and other appropriate senior managers, support the board by considering matters in greater depth and maintaining a closer link with the company's executive management. These committees generally have "non-executive" roles, except where financial and operational control procedures require trustee level authorisation.

Currently, there are two Committees (1) Finance and Property, with its areas of responsibility involving monitoring and reviewing operational and financial performance together with ensuring appropriate financial controls are in operation. Additionally, it has responsibility for risk management, governance and statutory audit. (2) Nominations committee, who will annually review the board skills and experience, identify gaps and if necessary, advertise and interview new trustees.

Pay policy for key management personnel

Key management are considered to be the Chief Executive and members on the Senior Leadership Team (SLT). Their salaries are reviewed each year by the trustees and any increase is usually at the same rate as other staff.

Health & Safety and Child Protection

The health and safety of staff and students together with child protection are primary concerns to the trustees.

All key staff undertake both first aid and fire marshal training and all staff are made aware of their own duties and responsibilities for health and safety issues. Particular attention is paid to risks to staff and students from prolonged exposure to high volume instruments.

Additional risk assessments for operating in a Covid-19-secure manner were created and kept under regular review to enable activities to take place (when and as allowed under government regulations and guidelines) as safely as possible for both staff and students.

Berkshire Maestros adopts the current requirements of the Home Office and Department for Education (DfE) to arrange the registration and Enhanced DBS checks for all new staff. All staff are required to complete a "Declaration of Disqualification" and undergo Prevent training. We hold on file and verify all personnel, right to work, medical and disqualification checks in line with OFSTED including home address and NI number — in line with OFSTED and DfE Guidance — Keeping Children Safe in Education. DBS checks are regularly re-checked for all staff and a regular cycle of safeguarding training is in place.

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**  
(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

Statement of trustees' responsibilities

The trustees (who are also the directors of the company for the purposes 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, James Cowper Kreston Audit, has indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

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



Adam Pollard 27 Feb 2023 17:04:33 GMT (UTC +0)

.....  
**A Pollard**

Chairman of Trustees

Date: 27 February 2023

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**

**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**

**Opinion**

We have audited the financial statements of The Berkshire Young Musicians Trust (operating as Berkshire Maestros) (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS) (CONTINUED)**

**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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our 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 Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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.

## THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)

(A company limited by guarantee)

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS) (CONTINUED)

#### 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:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

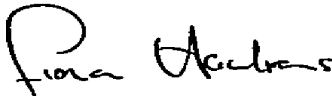
#### Use of our report

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**

**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS) (CONTINUED)**



**Fiona Hawkins MSc FCA (Senior statutory auditor)**

for and on behalf of

**James Cowper Kreston Audit**

Chartered Accountants and Statutory Auditor

2 Communications Road

Greenham Business Park

Greenham

Newbury

Berkshire

RG19 6AB

Date: 08/03/2023

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)****(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>					
Donations and grants	4	14,198	24,036	38,234	1,388,067
Charitable activities:	6				
Fees		-	3,055,368	3,055,368	2,590,067
Government funding		1,165,049	-	1,165,049	1,158,121
Other music related activities		-	314,848	314,848	182,278
Orchestra tax relief		-	19,275	19,275	-
Investments	5	-	-	-	7
Other income		-	8,664	8,664	20,656
<b>Total income</b>		<b>1,179,247</b>	<b>3,422,191</b>	<b>4,601,438</b>	<b>5,339,196</b>
<b>Expenditure on:</b>					
Raising funds		-	59,864	59,864	58,689
Charitable activities	9	1,267,262	3,772,006	5,039,268	4,584,800
<b>Total expenditure</b>		<b>1,267,262</b>	<b>3,831,870</b>	<b>5,099,132</b>	<b>4,643,489</b>
<b>Net (expenditure)/income before net gains on investments</b>		<b>(88,015)</b>	<b>(409,679)</b>	<b>(497,694)</b>	<b>695,707</b>
Net gains on investments		-	7,477	7,477	70,531
<b>Net (expenditure)/income</b>		<b>(88,015)</b>	<b>(402,202)</b>	<b>(490,217)</b>	<b>766,238</b>
Transfers between funds	19	(200,000)	200,000	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(288,015)</b>	<b>(202,202)</b>	<b>(490,217)</b>	<b>766,238</b>
<b>Other recognised gains/(losses):</b>					
Actuarial (losses)/gains on defined benefit pension schemes	25	-	3,336,000	3,336,000	(315,000)
<b>Net movement in funds</b>		<b>(288,015)</b>	<b>3,133,798</b>	<b>2,845,783</b>	<b>451,238</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		327,940	(791,121)	(463,181)	(914,419)
Net movement in funds		(288,015)	3,133,798	2,845,783	451,238
<b>Total funds carried forward</b>		<b>39,925</b>	<b>2,342,677</b>	<b>2,382,602</b>	<b>(463,181)</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 46 form part of these financial statements.

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)****(A company limited by guarantee)****REGISTERED NUMBER: 1673689****BALANCE SHEET  
AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	1,575,493	1,597,632
Investments	15	100	100
		<u>1,575,593</u>	<u>1,597,732</u>
<b>Current assets</b>			
Debtors	16	604,975	969,948
Investments	17	620,309	612,832
Cash at bank and in hand		1,226,762	1,134,175
		<u>2,452,046</u>	<u>2,716,955</u>
Creditors: amounts falling due within one year	18	(1,202,037)	(1,309,868)
<b>Net current assets</b>		<u>1,250,009</u>	<u>1,407,087</u>
Defined benefit pension scheme liability	25	(443,000)	(3,468,000)
<b>Total net assets</b>		<u><u>2,382,602</u></u>	<u><u>(463,181)</u></u>
<b>Charity funds</b>			
Restricted funds	19	39,925	327,940
Unrestricted funds			
Unrestricted funds excluding pension asset	19	2,785,677	2,676,879
Pension reserve	19	(443,000)	(3,468,000)
<b>Total unrestricted funds</b>	19	<u>2,342,677</u>	<u>(791,121)</u>
<b>Total funds</b>		<u><u>2,382,602</u></u>	<u><u>(463,181)</u></u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:



Adam Pollard 27 Feb 2023 17:04:33 GMT (UTC +0)

**A Pollard**

Chairman of Trustees

Date: 27 February 2023

The notes on pages 21 to 46 form part of these financial statements.

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	22	132,587	799,790
<b>Cash flows from investing activities</b>			
Interest from investments		-	7
Purchase of tangible fixed assets		(40,000)	(61,439)
<b>Net cash used in investing activities</b>		(40,000)	(61,432)
<b>Change in cash and cash equivalents in the year</b>		92,587	738,358
Cash and cash equivalents at the beginning of the year		1,134,175	395,817
<b>Cash and cash equivalents at the end of the year</b>	23	1,226,762	1,134,175

The notes on pages 21 to 46 form part of these financial statements

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. General information**

The Berkshire Young Musicians Trust is an incorporated charity. It is registered in England and Wales with charity registered number 284555 and company number 1673689. The principal address of the Charity is 100 Cockney Hill, Stoneham Court, Reading, Berkshire, RG30 4EZ.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Berkshire Young Musicians Trust (operating as Berkshire Maestros) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

As at 31 August 2022 the balance sheet shows net assets of £2,382,602, compared to £463,181 (net liabilities) at 31 August 2021. The increase in assets reflects the current year operating deficit and the decrease in the pension scheme liability on the Local Government Defined Benefit Pension Scheme to £443,000.

Taking this into account and together with a strong net current asset position, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 AUGUST 2022**

**2. Accounting policies (continued)**

**2.3 Income**

**Fees**

Fees represent amounts charged for lessons and ensembles and are accounted for on an accruals basis. Assistance with gross fees and fee remissions is included in expenditure as Charitable Support.

**Voluntary income**

Voluntary income comprises legacies and other donations which are made available for the general purposes of the company. They are recognised when the amounts are received unless there is sufficient evidence to provide the necessary certainty that the legacy or donation will be received and that the value of the incoming resources can be measured with sufficient reliability.

**Donations and grants**

Donations made for other specific purposes are treated as restricted funds.

Culture Recovery Fund grants are recognised when the company is entitled to the income.

**Government funding**

Payments received under contracts from Arts Council England and any of the Unitary Authorities of Berkshire to subsidise the provision of music tuition services are recognised in the Statement of Financial Activities in the period to which they apply.

The Covid-19 Job Retention Scheme grant income is recognised in the period to which it relates.

**Events, courses, concerts and tours**

Income from events, courses, concerts and tours represents monies charged for tours, receipts from concerts and other fundraising. These monies are accounted for on an accruals basis and matched with the associated expenditure incurred.

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

Support and administration costs are split across activities on an basis of estimated time spent.

**2.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**2. Accounting policies (continued)**

**2.6 Taxation**

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

**2.7 Tangible fixed assets and depreciation**

Assets that individually cost less than £250 are not capitalised. The cost is written off to the Statement of Financial Activities in full when purchased. Assets that have been donated are capitalised at their full market value at the time of donation and depreciated. The value of the donation is treated as income in the Statement of Financial Activities as a restricted fund.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- At 2% and 5% of cost
Motor vehicles	- At 20% of cost
Fixtures and fittings	- At 20% of cost
Computer equipment	- At 33% of cost
Other fixed assets	- At 20% of cost

**2.8 Investments**

Investments are stated at the market value indicated by the Report of the Investment Managers to the trustees at the Balance Sheet date. Any resulting unrealised gain or loss is taken to the Statement of Financial Activities.

The Berkshire Young Musicians Trust has a fully owned subsidiary called Maestros Enterprises Limited, company number 11609495. Group accounts have not been prepared as the subsidiary is not material to the group. The results of the subsidiary are disclosed in note 30.

Investments in subsidiaries are valued at cost less provision for impairment.

**2.9 Debtors**

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

**2.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**2. Accounting policies (continued)**

**2.11 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**2.12 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**2.13 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**2.14 Pensions**

Teaching staff employed by The Berkshire Young Musicians Trust are eligible for membership of the Teachers' Pension Scheme, which is a national, statutory, contributory, unfunded defined benefit scheme administered by the Teachers Pension Agency, an executive agency of the Department for Education. Pension costs are assessed in accordance with the advice of the Government Actuary. As this is a multi-employer scheme whose assets and liabilities are not separately identifiable, under Financial Reporting Standard 102 "Post-employment Benefits" it is treated as a defined contribution scheme with a charge to the accounts for the contributions paid and relevant disclosures about the scheme as a whole provided in note 25.

The Berkshire Young Musicians Trust has a funded defined benefit scheme for those members of staff who are not eligible to join the Teachers' Pension Scheme. The assets of this scheme are administered by the Royal County of Berkshire Pension Scheme. This is also a multi-employer scheme, but the assets and liabilities relating to The Berkshire Young Musicians Trust are separately identifiable and are accounted for as belonging to The Berkshire Young Musicians Trust. The financial statements take account of the annual valuation of the defined benefit scheme undertaken by the pension fund's actuaries.

Actuarial gains and losses arising from updating the latest actuarial valuation to reflect conditions at the balance sheet date are recognised in the gains and losses section of the Statement of Financial Activities. More details are included in note 25.

**2.15 Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the company.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of the designated funds is set out in note 19 to the financial statements.

Restricted funds are those funds where monies have been received for a specific purpose and are matched against the expenditure as incurred.

**THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**3. Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

Critical areas of judgement:

**Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

**Bad debts**

Using information available at the balance sheet date, the company makes a judgement based on experience regarding the level of provision required to account for potentially uncollectible debtors.

**Pensions**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any change in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**4. Income from donations and grants**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	14,198	3,224	17,422	65,433
Grants	-	20,812	20,812	500
Covid-19 Job Retention Scheme grant	-	-	-	163,148
Culture Recovery Fund grants	-	-	-	1,158,986
	<u>14,198</u>	<u>24,036</u>	<u>38,234</u>	<u>1,388,067</u>
Total 2021	<u>1,206,761</u>	<u>181,306</u>	<u>1,388,067</u>	

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**5. Investment income**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest received	-	-	7
	<u>7</u>	<u>7</u>	
Total 2021	<u>7</u>	<u>7</u>	

**6. Income from charitable activities**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fees (see note 7)	-	3,055,368	3,055,368	2,590,067
Government funding	1,165,049	-	1,165,049	1,158,121
Other music related activities (see note 8)	-	314,848	314,848	182,278
Orchestra tax relief	-	19,275	19,275	-
	<u>1,165,049</u>	<u>3,389,491</u>	<u>4,554,540</u>	<u>3,930,466</u>
Total 2021	<u>1,158,121</u>	<u>2,772,345</u>	<u>3,930,466</u>	

**7. Fees**

	2022 £	2021 £
Lessons and ensembles	3,026,947	2,567,567
Gift Aid	28,421	22,500
	<u>3,055,368</u>	<u>2,590,067</u>

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**8. Other music related income**

	2022 £	2021 £
Examination fees	45,021	43,070
Instrument income	120,582	106,054
Tours	99,504	(8,123)
Concerts	36,502	16,112
Courses and workshops	13,239	25,165
	<u>314,848</u>	<u>182,278</u>

**9. Analysis of charitable expenditure by activities**

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Marketing costs	29,550	-	-	29,550	20,231
Charitable financial support	-	188,379	-	188,379	153,809
Teaching costs	2,959,345	-	900,552	3,859,897	3,642,213
Music related costs	368,843	-	122,803	491,646	484,158
Events, courses, concerts and tours	130,656	-	-	130,656	16,852
Pension adjustment	-	-	311,000	311,000	243,000
Governance costs	-	-	28,140	28,140	24,537
	<u>3,488,394</u>	<u>188,379</u>	<u>1,362,495</u>	<u>5,039,268</u>	<u>4,584,800</u>
Total 2021	<u>3,333,308</u>	<u>153,809</u>	<u>1,097,683</u>	<u>4,584,800</u>	

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**Analysis of support costs**

	2022 £	2021 £
Staff costs	590,839	578,488
Depreciation	58,469	55,621
Travel costs	4,335	3,502
IT costs	76,615	109,645
Postage	1,200	1,210
Telecommunications	28,374	21,471
Staff training	24,770	32,470
Recruitment	4,421	358
Insurance	22,269	23,046
Bad debts	93,430	(76,059)
Bank charges	26,987	17,973
Repairs and maintenance	25,775	18,442
Premises costs	65,871	43,979
Legal and professional	15,290	12,537
Auditor's remuneration	12,850	12,000
Pension adjustment	311,000	243,000
	<u>1,362,495</u>	<u>1,097,683</u>

Support and administration costs are split between teaching costs and music related costs in the ratio of 88% and 12% respectively. The total allocated is: teaching costs £900,552 (2021: £730,528) and music related costs £122,803 (2021: £99,618).

**10. Governance costs**

	2022 £	2021 £
Auditor's remuneration	12,850	12,000
Other professional fees	15,290	12,537
	<u>28,140</u>	<u>24,537</u>

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**11. Unrealised gain on investment**

	2022 £	2021 £
Gains on investment assets	<u>7,477</u>	<u>70,531</u>

In 2017 surplus funds of £500,000 were originally invested in an absolute return fund. During the year to 31 August 2020 the funds were transferred to the LF Ruffer Total Return Fund. For the year ending 31 August 2022 the fund value resulted in an unrealised gain of £7,477 (2021: gain of £70,531).

**12. Net Income/(expenditure)**

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	62,139	66,211
Auditor's remuneration	<u>12,850</u>	<u>12,000</u>

During the year, no trustees received any remuneration (2021 - £NIL).

During the year, no trustees received any benefits in kind (2021 - £NIL).

During the year, no trustees received any reimbursement of expenses (2021 - £NIL).

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**13. Staff costs**

	2022 £	2021 £
Wages and salaries	2,537,374	2,615,262
National insurance costs	230,384	225,311
Other pension costs	555,877	568,287
	<u>3,323,635</u>	<u>3,408,860</u>

The average number of persons employed by the company during the year was as follows:

	2022 No.	2021 No.
Management and administration	30	27
Full time teachers	50	48
Part time teachers	35	41
	<u>115</u>	<u>116</u>

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	-

During the year remuneration paid to key management personnel, including national insurance contributions, totalled £140,419 (2021: £132,706).

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**14. Tangible fixed assets**

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer and office equipment £	Musical instruments £	Total £
<b>Cost or valuation</b>						
At 1 September 2021	1,712,821	18,345	108,849	236,276	500,253	2,576,544
Additions	6,506	-	18,565	14,929	-	40,000
At 31 August 2022	<u>1,719,327</u>	<u>18,345</u>	<u>127,414</u>	<u>251,205</u>	<u>500,253</u>	<u>2,616,544</u>
<b>Depreciation</b>						
At 1 September 2021	193,002	18,345	64,877	209,944	492,744	978,912
Charge for the year	32,369	-	14,358	11,743	3,669	62,139
At 31 August 2022	<u>225,371</u>	<u>18,345</u>	<u>79,235</u>	<u>221,687</u>	<u>496,413</u>	<u>1,041,051</u>
<b>Net book value</b>						
At 31 August 2022	<u>1,493,956</u>	<u>-</u>	<u>48,179</u>	<u>29,518</u>	<u>3,840</u>	<u>1,575,493</u>
At 31 August 2021	<u>1,519,819</u>	<u>-</u>	<u>43,972</u>	<u>26,332</u>	<u>7,509</u>	<u>1,597,632</u>

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**14. Tangible fixed assets (continued)**

Included in land and buildings is freehold land at valuation of £346,747 (2021: £346,747) which is not depreciated.

The cost or valuation at 31 August 2022 is as follows:

	2022 £
<b>At Valuation</b>	
Land and building at original cost	891,953
Revaluation in 2014	508,047
	<hr/>
<b>Land and building valuation</b>	<b>1,400,000</b>
<b>At Cost</b>	
2015 additions	146,747
2016 additions	3,606
2017 additions	53,749
2019 additions	91,757
2020 additions	11,870
2021 additions	5,092
2022 additions	6,506
	<hr/>
<b>Total</b>	<b>1,719,327</b>

The freehold property was revalued on 31 August 2014 by Thameside Surveying Ltd, Chartered Surveyors on a full vacant possession basis.

The company has applied the transitional provisions of the Charities SORP (FRS 102) and the valuation of freehold property has not been updated since the last valuation in 2014.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2022 £	2021 £
Cost	1,211,280	1,204,774
Accumulated Depreciation	(523,279)	(490,910)
	<hr/>	<hr/>
<b>Net book value</b>	<b>688,001</b>	<b>713,864</b>
	<hr/>	<hr/>

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**15. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 September 2021	100
At 31 August 2022	<u>100</u>
<b>Net book value</b>	
At 31 August 2022	<u>100</u>
At 31 August 2021	<u>100</u>
See note 30 for further information.	

**16. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Amounts due in relation to tuition fees	438,985	557,183
Amounts owed by group undertakings	5,758	40,057
Other debtors	131,688	141,338
Prepayments and accrued income	28,544	231,370
	<u>604,975</u>	<u>969,948</u>

**17. Current asset investments**

	2022 £	2021 £
LF Ruffer total return fund	<u>620,309</u>	<u>612,832</u>

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**18. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	13,602	84,024
Other taxation and social security	85,242	56,385
Accruals and deferred income	1,103,193	1,169,459
	<u>1,202,037</u>	<u>1,309,868</u>
		2022 £
<b>Deferred income</b>		
Deferred income at 1 September 2021		1,155,551
Resources deferred during the year		1,097,532
Amounts released from previous periods		(1,155,551)
		<u>1,097,532</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Building maintenance	59,982	-	-	-	-	59,982
IT development fund	74,000	-	-	-	-	74,000
Tour funds	21,131	-	-	-	-	21,131
	<u>155,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,113</u>
<b>General funds</b>						
General Funds - all funds	2,521,766	3,422,191	(3,520,870)	200,000	7,477	2,630,564
Pension reserve	(3,468,000)	-	(311,000)	-	3,336,000	(443,000)
	<u>(946,234)</u>	<u>3,422,191</u>	<u>(3,831,870)</u>	<u>200,000</u>	<u>3,343,477</u>	<u>2,187,564</u>
<b>Total Unrestricted funds</b>	<u>(791,121)</u>	<u>3,422,191</u>	<u>(3,831,870)</u>	<u>200,000</u>	<u>3,343,477</u>	<u>2,342,677</u>
<b>Restricted funds</b>						
ACE funding	-	1,015,981	(1,015,981)	-	-	-
Sponsor a child	3,719	7,271	(2,503)	-	-	8,487
UA disadvantaged funds	21,928	-	(815)	-	-	21,113
Greenham Trust	-	5,419	(5,419)	-	-	-
Donated instruments	7,539	-	-	-	-	7,539
Covid-19 hardship fund	2,777	1,084	(2,764)	-	-	1,097
Teachers' Pension fund	-	149,068	(149,068)	-	-	-
Foyle Foundation	1,653	-	-	-	-	1,653

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. Statement of funds (continued)**

**Statement of funds - current year (continued)**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Culture						
Recovery Fund	290,324	-	(90,324)	(200,000)	-	-
Ringfenced	-	424	(388)	-	-	36
	<u>327,940</u>	<u>1,179,247</u>	<u>(1,267,262)</u>	<u>(200,000)</u>	<u>-</u>	<u>39,925</u>
<b>Total of funds</b>	<u>(463,181)</u>	<u>4,601,438</u>	<u>(5,099,132)</u>	<u>-</u>	<u>3,343,477</u>	<u>2,382,602</u>

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**19. Statement of funds (continued)**

**Sponsor a child**

Amounts donated by individuals to provide children from disadvantaged backgrounds with the opportunity to learn a musical instrument. The support can be short or long term and is provided at the company's discretion.

**UA disadvantaged fund**

The Unitary Authority Disadvantaged fund is money previously received from Wokingham Borough Council to support specific disadvantaged children within the Wokingham district in musical education.

**Arts Council England (ACE) Funding**

Berkshire Maestros is in receipt of funding to 31 March 2022 allocated by Central Government via Arts Council England to support the Berkshire Music Hub deliver the National Music Plan. Berkshire Maestros is leader of the Berkshire Music Hub.

**Greenham Trust**

Greenham Trust has donated monies to the company to support children just above the FSM level with lessons and instruments in the area supported by Greenham Trust.

**Donated instruments**

Represents instruments bought for the company by friends and other organisations. This fund is amortised over the life of the instrument.

**Covid-19 hardship fund**

We fundraised for and set-up a hardship fund in April 2020 in order to support families to continue their music-making activities for their children and young people during the pandemic. If parents had been financially impacted whether through job-loss or by being furloughed, we offered them 85% reduction in their fees. We got an initial £5,000 from the Berkshire Community Foundation and have also received individual donations to enable us to keep this fundraising pot going for as long as possible.

**Foyle Foundation**

We applied for a grant to cover the cost of digital equipment required to support online lessons; webcams, laptops, microphones etc. We also were able to purchase iPads to enable music projects in alternative provisions thanks to this grant.

**Culture Recovery Fund**

We applied to the first two rounds of the DCMS' Culture Recovery Fund and were awarded the full financial support that we requested. The first round was mainly to cover the loss of income and to support staff salaries as well as the hire of venues and PPE. The second round was more about re-growing after the pandemic and so was to support promotional activities and key activity for vulnerable children and adults.

During the year, we transferred £200k from Culture Recovery Fund to General Reserve in accordance with the funding agreement for covering the loss of income during Covid-19.

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**19. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Building maintenance	59,982	-	-	-	-	59,982
IT development fund	74,000	-	-	-	-	74,000
Tour funds	21,131	-	-	-	-	21,131
	<u>155,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,113</u>
<b>General funds</b>						
General Funds - all funds	1,798,907	2,974,314	(2,666,136)	344,150	70,531	2,521,766
Pension reserve	(2,910,000)	-	(243,000)	-	(315,000)	(3,468,000)
	<u>(1,111,093)</u>	<u>2,974,314</u>	<u>(2,909,136)</u>	<u>344,150</u>	<u>(244,469)</u>	<u>(946,234)</u>
<b>Total Unrestricted funds</b>	<u>(955,980)</u>	<u>2,974,314</u>	<u>(2,909,136)</u>	<u>344,150</u>	<u>(244,469)</u>	<u>(791,121)</u>
<b>Restricted funds</b>						
ACE funding	-	1,009,053	(1,009,053)	-	-	-
Sponsor a child UA disadvantaged funds	7,121	49	(3,451)	-	-	3,719
Greenham Trust	23,340	-	(1,412)	-	-	21,928
Donated instruments	-	5,821	(5,821)	-	-	-
Covid-19 hardship fund	7,539	-	-	-	-	7,539
Teachers' Pension fund	3,561	10,000	(10,784)	-	-	2,777
	-	149,068	(149,068)	-	-	-

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**19. Statement of funds (continued)**

**Statement of funds - prior year (continued)**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Foyle Foundation	-	30,000	(28,347)	-	-	1,653
Culture Recovery Fund	-	1,158,986	(524,512)	(344,150)	-	290,324
The Earley Charity	-	1,905	(1,905)	-	-	-
	<u>41,561</u>	<u>2,364,882</u>	<u>(1,734,353)</u>	<u>(344,150)</u>	<u>-</u>	<u>327,940</u>
<b>Total of funds</b>	<u>(914,419)</u>	<u>5,339,196</u>	<u>(4,643,489)</u>	<u>-</u>	<u>(244,469)</u>	<u>(463,181)</u>

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**20. Summary of funds**

**Summary of funds - current year**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Designated funds	155,113	-	-	-	-	155,113
General funds	(946,234)	3,422,191	(3,831,870)	200,000	3,343,477	2,187,564
Restricted funds	327,940	1,179,247	(1,267,262)	(200,000)	-	39,925
	<u>(463,181)</u>	<u>4,601,438</u>	<u>(5,099,132)</u>	<u>-</u>	<u>3,343,477</u>	<u>2,382,602</u>

**Summary of funds - prior year**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Designated funds	155,113	-	-	-	-	155,113
General funds	(1,111,093)	2,974,314	(2,909,136)	344,150	(244,469)	(946,234)
Restricted funds	41,561	2,364,882	(1,734,353)	(344,150)	-	327,940
	<u>(914,419)</u>	<u>5,339,196</u>	<u>(4,643,489)</u>	<u>-</u>	<u>(244,469)</u>	<u>(463,181)</u>

**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	7,539	1,567,954	1,575,493
Fixed asset investments	-	100	100
Current assets	32,386	2,419,660	2,452,046
Creditors due within one year	-	(1,202,037)	(1,202,037)
Provisions for liabilities and charges	-	(443,000)	(443,000)
<b>Total</b>	<u>39,925</u>	<u>2,342,677</u>	<u>2,382,602</u>

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**21. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	7,539	1,590,093	1,597,632
Fixed asset investments	-	100	100
Current assets	320,401	2,396,554	2,716,955
Creditors due within one year	-	(1,309,868)	(1,309,868)
Provisions for liabilities and charges	-	(3,468,000)	(3,468,000)
<b>Total</b>	<b>327,940</b>	<b>(791,121)</b>	<b>(463,181)</b>

**22. Reconciliation of net movement in funds to net cash flow from operating activities**

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<b>(490,217)</b>	766,238
<b>Adjustments for:</b>		
Depreciation charges	<b>62,139</b>	66,211
Unrealised gains on investments	<b>(7,477)</b>	(70,531)
Interest from investments	-	(7)
Decrease/(increase) in debtors	<b>364,973</b>	(260,784)
Increase/(decrease) in creditors	<b>(107,831)</b>	55,663
FRS 102 pension adjustment	<b>311,000</b>	243,000
<b>Net cash provided by operating activities</b>	<b>132,587</b>	799,790

**23. Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash in hand	<b>1,226,762</b>	1,134,175
<b>Total cash and cash equivalents</b>	<b>1,226,762</b>	1,134,175

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**24. Analysis of changes in net debt**

	At 1 September 2021	Cash flows	Changes in market value and exchange rate movements	At 31 August 2022
	£	£	£	£
Cash at bank and in hand	1,134,175	92,587	-	1,226,762
Liquid investments	612,832	-	7,477	620,309
	<u>1,747,007</u>	<u>92,587</u>	<u>7,477</u>	<u>1,847,071</u>

**25. Pension commitments**

The company's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The Royal County of Berkshire Pension Scheme. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £nil were payable to the schemes at 31 August 2022 (2021: £nil) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million

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**25. Pension commitments (continued)**

- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £430k (2021: £468k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2022 was £163k (2021: £165k), of which employer's contributions totalled £125k (2021: £126k) and employees' contributions totalled £38k (2021: £39k). The agreed contribution rates for future years are 21.6 per cent for employers and 5.5-12.5 per cent for employees.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2022 %	At 31 August 2021 %
Discount rate	4.25	1.65
Future salary increases	3.95	3.90
Future pension increases	2.95	2.90
Inflation CPI	2.95	2.90

	At 31 August 2022 Years	At 31 August 2021 Years
Mortality rates (in years)		
- for a male aged 65 now	21.0	21.3
- at 65 for a male aged 45 now	23.8	24.0
- for a female aged 65 now	22.3	22.6
- at 65 for a female aged 45 now	25.3	25.4

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**25. Pension commitments (continued)**

The company's share of the assets in the scheme was:

	At 31 August 2022 £	At 31 August 2021 £
Equities	1,946,000	1,754,000
Other bonds	481,000	512,000
Property	417,000	339,000
Cash and other liquid assets	52,000	59,000
Target return portfolio	5,000	125,000
Infrastructure	338,000	246,000
Longevity insurance	(126,000)	(162,000)
<b>Total fair value of assets</b>	<b>3,113,000</b>	<b>2,873,000</b>

The actual return on scheme assets was £190,000 (2021 - £300,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £	2021 £
Current service cost	377,000	321,000
Interest income	(48,000)	(40,000)
Interest cost	104,000	86,000
Administrative expenses	3,000	2,000
Contributions by employer	(125,000)	(126,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>311,000</b>	<b>243,000</b>

Movements in the present value of the defined benefit obligation were as follows:

	2022 £
Opening defined benefit obligation	6,341,000
Current service cost	377,000
Interest cost	104,000
Change in financial assumptions	(3,135,000)
Change in demographic assumptions	(70,000)
Experience gain on defined benefit obligation	11,000
Benefits paid	(110,000)
Employee contributions	38,000
<b>Closing defined benefit obligation</b>	<b>3,556,000</b>

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**25. Pension commitments (continued)**

Movements in the fair value of the company's share of scheme assets were as follows:

	2022 £
Opening fair value of scheme assets	2,873,000
Interest on assets	48,000
Return on assets less interest	142,000
Administration expenses	(3,000)
Contributions by employer	125,000
Employee contributions	38,000
Benefits paid	(110,000)
<b>Closing fair value of scheme assets</b>	<b>3,113,000</b>

**26. Operating lease commitments**

At 31 August 2022 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	68,595	35,877
Later than 1 year and not later than 5 years	14,875	3,264
	<b>83,470</b>	<b>39,141</b>

**27. Indemnity insurance**

Funds of the company amounting to £1,233 (2021: £1,231) have been used in the purchase of insurance to protect the company from loss arising out of neglect or defaults of its directors or officers and to indemnify its directors or officers against the consequences of any neglect or default on their part.

**28. Related party transactions**

During the year, 4 Trustees (2021: 6 Trustees) paid £7,658 (2021: £9,634) to the company for music lessons, ensemble and other related activities paid for by these trustees. These activities are all invoiced at normal fee tariff rates and on an arm's length basis.

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**29. Guarantees**

The liability of the company is limited by guarantee. In the event of the company being wound up, each member (or members who have ceased to be members for less than one year), undertakes to contribute to the assets of the company such amount as may be required, not exceeding £1.

**30. Principal subsidiaries**

The following was a subsidiary undertaking of the company:

<b>Name</b>	<b>Company number</b>	<b>Registered office or principal place of business</b>	<b>Principal activity</b>
Maestros Enterprises Limited	11609495	Stoneham Court Cockney Hill, Tilehurst, Reading, United Kingdom, RG30 4EX	Sales of software

<b>Class of shares</b>	<b>Holding</b>	<b>Included in consolidation</b>
Ordinary	100%	No

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Profit/(Loss) for the year £</b>	<b>Net assets £</b>
Maestros Enterprises Limited	20,988	(11,099)	9,889	100