

Registered number: 1673689
Charity number: 284555

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MUSIC TRUST)
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023

Trustees

R Belshaw
A Butler
J Carroll, Chairman
A Greenish (appointed 11 March 2023)
D Harris
K Hatton (appointed 12 September 2023)
A Jackson
A Knight
R May (appointed 24 January 2023)
R Millar (appointed 11 March 2023)
A Pollard (resigned 12 September 2023)
M Rouco (resigned 3 October 2022)
L Williams (appointed 24 January 2023, resigned 4 January 2024)
S Williams (appointed 24 January 2023)

The trustees retiring by rotation and putting themselves forward for reelection are A Knight, A Jackson and A Butler.

Company registered number

1673689

Charity registered number

284555

Registered office

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

Chief executive officer

D 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 2023

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 MUSIC TRUST)
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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 2023. The trustees confirm that the accounts comply with the Companies Act 2006 and the Charities Act 2022, 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 Music Trust' or formerly trading as '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 Trust 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

Berkshire Music Trust has continued to deliver high quality musical opportunities for young people in the 2022-2023 academic year however the impact of the worsening economic climate post-pandemic saw a decline in student numbers across the year. We did however see growth in the performances and opportunities we developed compared to the previous year. The year heralded the new as we moved from Berkshire Maestros to Berkshire Music Trust showcasing our commitment to inclusivity and accessibility.

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 operations teams, who work hard to keep everything running in the background and support our customers and pupils.

Objectives and activities

Berkshire Music Trust 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 Music Trust 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 five large music centres in Bracknell, Newbury, Reading, Wokingham and Windsor as well as one smaller satellite centre in Caversham. 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).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Public Benefit

The trustees review Berkshire Music Trust's 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 Trust 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 bursary fund to assist children and young people in this category.

Our vision:

Our vision is to enhance and enrich the lives of children, young people and adults through the unrivalled range of musical opportunities we offer.

Mission Statement:

We work collaboratively to inspire and develop musicians through creative, enjoyable and enriching learning experiences. We seek to empower our community to achieve their potential, explore their own creative pathways and enjoy music in all its forms.

Core Values:

- **Inclusivity** - we believe music should be accessible to all
- **Respect** - we respect others' views and lived experiences
- **Transparency** - we are open and honest
- **Innovation** - we continuously evolve and adapt to changing needs
- **Responsibility** - we take responsibility for our mission
- **Partnership** - we embrace partnership working

Strategic Pillars 2023-2026

- **EVERYBODY A MUSICIAN** – to ensure everybody can access music opportunities regardless of background or circumstance
- **CONTINUOUS LEARNING** – to develop and grow as a reflective learning organisation
- **EMBRACING INNOVATION** – to utilise technology to enhance systems and diversify opportunities
- **GROWTH & SUSTAINABILITY** – to develop the organisation's resilience and make it future proof

Delivering the National Plan for Music

As lead organisation for the Berkshire Music Education Hub, we continue to fully implement the NPME, including all core and extension roles. In the quarterly feedback from Arts Council England, we were assessed and remained at a minor risk level attached to our application of the DfE funding.

Summary of 2022-23

Early Years

Our Early Years work continues across the County with sessions in music centres remaining popular and providing an excellent progression route into instrumental and vocal music making for young people. Our community branch has suffered as a result of the cost-of-living crisis however we continue to seek funding opportunities to continue this important work. Having launched the Berkshire Music Trust Early Years Network (BEYMN) last year, we have built up a strong membership which includes triannual e-bulletins, access to the BEYMN Facebook page to share ideas and resources and regular Continued Professional Development (CPD) sessions.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

First Access

First Access (government funded whole class instrumental programme) continued to be well received in schools. 111 schools signed up which was a small decrease of 3% from the previous year. We reached a total of 6,090 students and had 25 new schools sign-up for 22-23. 26 schools took up the full three-year offer (we enable a reduced price to do this), and therefore this resulted in a 23% whole class continuation rate, a small 2% decrease from last year.

We continued to provide Whole Class Ensemble Tuition (WCET) in our special schools and alternative provisions, an example of this is The Pod KS2 which is a specialist day provision for primary pupils with SEMH (Social, Emotional, Mental Health) and complex learning needs in West Berkshire. We deliver a term programme here of music making bespoke to the students participating.

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 as per our revised Teaching & Learning Policy. We supplemented our weekly provision with a variety of holiday courses as well as music theory lessons for Grade 5 and Grades 6-8.

Teaching staff were sent out to schools in our new 'Listen-up week', visiting 38 schools across the County to enable children and young people to experience live music as well as to promote learning an instrument.

Ensembles, County Groups & Events

We undertook a review of our music centre ensembles to ensure that we were catering for all instruments and that we had clear progression routes in place across the County. This resulted in the introduction of new beginner level groups called 'Let's Play' – these are designed to take students from 5 notes upwards and to incorporate instruments such as guitar and keyboard that didn't have a beginner ensemble in place. We also considered genres that we were not catering for and intend to start creative Let's Play groups that are based around improvisation and creative composition.

We took 150 students aged 11-19 away in the summer on the first music centres tour since the pandemic. To make the tour more accessible to students, we opened it to everyone and created ensembles from what we had, rather than only opening it to those groups that had enough students. This was a positive and successful trip which highlighted that music is also about building confidence, making friends, exploring new countries and doing things out of your comfort zone.

In addition, we took 40 students aged 7-11 away on a residential trip over a long weekend to enable younger students to experience more music making but also to benefit from the added social benefits of being away with other young musicians. One parent commented 'thank you all again for looking after X so well, he had an absolute blast and having not been away from home for more than one night before, it was a real confidence builder - for all of us!'

We celebrated our 40th birthday by organising an event for our alumni to come back and participate in some music-making, over 175 alumni participated. This enabled us to kick-start our alumni network which we are hoping will have a positive impact on both generating additional income but more importantly in highlighting career pathways to current students. We also used this opportunity to give away 40 free places in our music centre choirs to students who attended and sang in our Junior Music Festivals – this boosted our choir membership and resulted in increased ongoing membership of the choirs.

We held our termly 'Have a Go' events which enable young people from all over the County to come and try out several instruments before deciding which one they would like to learn. We also held our annual competition, this year for young string players to be named Berkshire Young Musician of the year, in partnership with the Windsor Festival.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

We held concerts in wonderful venues both in Berkshire and outside of Berkshire, from The Hexagon to The Anvil Theatre. We also worked with professional artists such as the Royal Philharmonic Orchestra and Brindley Sherratt.

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 800 instruments in 2022-2023, with a further 2,713 being hired out to schools for our WCET programme.

Support for Schools

We offered CPD for schools both online and face to face in order to maximise accessibility for staff working in schools. Topics covered included Charanga, music making with PMLD (Profound and Multiple Learning Difficulty) and SPLD (Specific Learning Difficulty) students, becoming a singing school, singing for success (taking your choir to the next level), effective use of percussion instruments in the early years, music and movement and enhancing the skill-sets of non-specialist teachers. School newsletters go out twice a term to communicate our offer to schools clearly, to signpost to national developments and to help open up important conversations with schools. Through the hub's partnership with Charanga, supporting schools with CPD and Training has benefitted 11 teachers from 10 schools. School Development Managers continue to build relationships with schools and discuss ways in which music can be further embedded in their schools.

Singing Strategy

We continued to support schools with singing through our Singing Development Coordinators who work across the County with all schools supporting their individual needs. This is a bespoke support function offered to every school and can range from support with running choirs, signposting to resources, offering CPD training to non-specialists as well as singing assembly advice and warm-up ideas.

We resumed our Junior Music Festival fully live and had such interest from schools who wanted to be involved that we had to put on 2 extra performances across the year moving from our standard 6 performance structure to 8 performances. The theme this year was 'The Show Must go On' and the songs ranged from show tunes and pop songs to arrangements from the Royal Opera House 'Create and Sing' Programme of Humperdinck's Hansel and Gretel. The feedback was very positive, "Thank you for such a wonderful concert last night which lifted everyone's spirit and truly showcased how music can spread real joy! The children at X loved every moment of the preparation and many comments last night after the concert were incredibly heartfelt- "This is the best night of my life", "I want to do that again right now" and " Can we come again next year?" "No doubt, the children will remember this fantastic musical experience for a long time."

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 parties have worked on maintaining current partners as well as seeking out new partners where the need arises. We have worked closely with Readipop and Culture Mix again this year who are our key delivery partners with whom we are proud to share a vision of support for children and young people across Berkshire.

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FOR THE YEAR ENDED 31 AUGUST 2023

We have also continued 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. We have continued to work with Aspire2 on our Early Years music project (local charity that aims for all children in all areas of Reading to have an equal opportunity to access enrichment activities), and we participated in a joint concert with our County Youth Choir and the Bradfield College choir (independent school in Bradfield). We continue referrals and signposting to our Music Therapy partner, WholeStep CIC and we continued working alongside the Royal Philharmonic Orchestra, notably getting the opportunity to bring students along to the Noisy Kids day at the Hexagon to participate in some music workshops with animateur, Tim Steiner. Our partnership with Windsor Festival continued and we are delighted to be able to afford our young people the opportunity to engage with professional musicians through this relationship.

Through our needs analysis, we aim to identify new partners and one of those this year was the Household Cavalry Band who are based in Windsor. We arranged for some of their musicians to attend ensemble rehearsals for our Windsor Senior Wind Band as well as to support them in a concert. Both students and our teachers were delighted to have this support. We are aiming to further develop this partnership in the coming year.

Examinations

We continued to run Trinity and ABRSM exam sessions for our students with a slight decrease in total entries from 634 last year to 587 exam entries in 2022-2023. Of these 37% passed, 38% gained a merit and 19% gained a distinction. 5% of the total number of entries were Grade 8, this is a decrease of 12 entries compared to last year. 32% of the Grade 8 entries achieved a distinction, 29% achieved a merit and 36% passed. 2% of the total number of entries were for ARSM/Advanced Certificate/Diploma level, this was an increase of 3 entries compared to last year. 34% of the ARSM/Certificate entries achieved a distinction and 59% of them achieved a merit.

We also support students to undertake exams with the Music Teachers Board and Trinity Rock and Pop Exams depending on what is appropriate for each student. We are unable to collate data on these results.

Funding

We successfully bid for the following funding during the year:

- £1,000 from the Utley Foundation for our Dementia Singing Café work
- £8,450 from the Greenham Trust and their matching donors for Rock Band Project

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 2022-2023, 159 schools were provided with access to the Charanga Musical School programme where its musical digital technology was used in 32,374 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 and notably created a variety of SharePoint sites in the last year to increase communication and information sharing within the organisation and with our Board. This also helped in the transition we made over the summer to a cloud server. We continue to look at ways in which we can utilise technology and AI to improve processes and a key strategic pillar in our new strategy is around Embracing Innovation as we recognise we have work to do in this area.

Meetings with stakeholders, trustees, staff and other partners have continued to be online or hybrid and remain an advantageous way to have meetings.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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.

We continue to use our iPads to support some of the inclusion work that we do. One of our teachers uses them at a local children's centre with disabled children and their families – here they have been using 'Thumb Jam' and 'Keezy' to make music.

Equality, Diversity & Inclusion

Through our inclusion strategy we have identified and supported over 400 students in different settings across the County with music making activities. This is a 500% increase from last year as we have increased our delivery substantially in Year 2 of our strategy. Much of this work has been working with partners to support us in targeting our work to where it is most needed. An example of this has been our early years project with Aspire2, which is a local charity dedicated to improving the lives of children and young people in a deprived area of Reading. This project was delivering early years music sessions in nurseries and children's centres across the area as well as training non-specialist staff to also bring music into their settings as a legacy of the project. The programme was hugely successful – some feedback from one staff member told us about one child who had English as an additional language and how the music really helped him to improve his understanding of English and his listening skills.

Financial review

The financial results were set out in the Statement of Financial Activities and demonstrate a deficit for the year of £115,752 (2022: deficit of £490,217).

In order to comply with accounting standards and, in particular FRS 102 Post-Employment Benefits, resources expended include a charge of £44,000 (2022: £311,000) 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 26). 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 as of 31 August 2023 is £340,000 (2022: £443,000) 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 £49k (2022: £98k) as shown below:

	2023		2022	
	Unrestricted	Restricted	Unrestricted	Restricted
	£'000	£'000	£'000	£'000
Income	3,339	1,367	3,422	1,179
Expenditure	(3,388)	(1,367)	(3,520)	(1,267)
Operating surplus / (deficit)	(49)	0	(98)	(88)
FRS 102 adjustment	(44)	0	(311)	0
Unrealised investment (loss) / gain	(23)	0	7	0
Net income / (expenditure)	(116)	0	(402)	(88)

Operational results demonstrate that the year continued to be one of challenge.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Student numbers slightly decreased throughout the year. Due to the cost-of-living crisis, many families cut back their household expenditure and music lessons become an early victim of any downturn in the economy. As a result, our fees from lessons and ensembles including their Gift Aid claims decreased by 7% year-on-year to £2,853,218 (2022: £3,055,368) to unrestricted income.

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

Action has continued to be taken throughout this post-pandemic time to seek additional funding and to reduce costs wherever possible. Some staff opted to reduce their contracted hours which has also resulted in Teaching Costs decreasing.

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

Income

Overall total income increased year on year to £4,706k (2022: £4,601k).

- Fees from parent paid and school lessons and ensembles showed a decrease of 7% to £2,853k (2022: £3,055k), because of resumed activity approximately to the levels of pre-Covid but a reduction of group lesson fees by 10%.
- Government funding was reported at £1,344k. 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 of Education to support the Teachers' Pension Scheme, total £1,344k (2022: £1,165k). Due to the ACE funding period for music education hub being changed from "Financial Year" to "School Year", there was a one-off deferred income realised in restricted income during the year.
- Other income raised through music related activities such as examinations, concerts, instrument hire was increased to £419k (2022: £315k).

Expenditure

Total expenditure showed an decrease to £4,799k (2022: £5,099k):

- Contracted staff costs were lower at £3,303k (2022: £3,324k) as a result of reduced contracted hours.
- Fees paid to self-employed staff were increased to £343k (2022: £337k) due to resuming of normal teaching activities.
- Event costs were increased to £182k (2022: £131k) as concerts and events were resumed at the normal level and tours operated again as normal.
- Governance costs were increased to £45k (2022: 28k) due to an increase in our use of legal advice and governance advice.

Cashflow

There was a net outflow of cash during the year with cash balances of £1,220k (2022: £1,227k) at year-end.

Restricted funds

The total value of restricted funds held at the year-end was £40k (2022: £40k). The funding received from Arts Council England was used to directly support our activities as leader of the Berkshire Music 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 20.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Principal risks and uncertainties

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

- Arts Council England funding continues to be confirmed on a one-year cycle, currently confirmed until August 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 limiting our fees increasing rate.

Reserves policy

The trustees have reviewed their reserves policy during the two years 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 as of 31 August 2023 was the unrestricted funds of £2,713,435 less tangible fixed assets £1,551,127, a total of £1,162,308 (2022: £1,210,184), 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 Music Trust, formerly 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), Leo Walters (Royal Borough of Windsor & Maidenhead), and O Jeffries (West Berkshire). Three representatives from Berkshire Music Trust Staff Association and the Chair of the Berkshire Music Trust Youth Advisory Board are also invited to attend Board meetings (these representatives do not have trustee powers).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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.

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.

Music Trust adopts the current requirements of the Home Office and Department of 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 DfE Guidance — Keeping Children Safe in Education. DBSs are regularly re-checked for all staff and a regular cycle of safeguarding training is in place.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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

Having served as our auditors for over 5 years, the F&P Committee ran a tender process across four potential Audit partners and are delighted to re-appoint James Cowper Kreston at this time.

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



Jon Carroll 14 Feb 2024 10:49:45 GMT (UTC +0)

.....
J Carroll

Chairman of Trustees

Date: 14 February 2024

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

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

Opinion

We have audited the financial statements of The Berkshire Young Musicians Trust (operating as Berkshire Music Trust) (the 'charitable company') for the year ended 31 August 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 MUSIC TRUST)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MUSIC TRUST) (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 MUSIC TRUST)
(A company limited by guarantee)

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

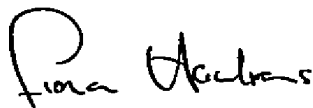
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting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

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



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: 27/02/2024

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and grants	4	23,584	31,479	55,063	38,234
Charitable activities:	6				
Fees		-	2,853,218	2,853,218	3,055,368
Government funding		1,343,903	-	1,343,903	1,165,049
Other music related activities		-	419,018	419,018	314,848
Orchestra tax relief		-	2,644	2,644	19,275
Investments	5	-	1,945	1,945	-
Other income		-	30,649	30,649	8,664
Total income		1,367,487	3,338,953	4,706,440	4,601,438
Expenditure on:					
Raising funds		-	59,628	59,628	59,864
Charitable activities	9	1,366,997	3,372,217	4,739,214	5,039,268
Total expenditure		1,366,997	3,431,845	4,798,842	5,099,132
Net income/(expenditure) before net (losses)/gains on investments		490	(92,892)	(92,402)	(497,694)
Net (losses)/gains on investments		-	(23,350)	(23,350)	7,477
Net movement in funds before other recognised gains/(losses)		490	(116,242)	(115,752)	(490,217)
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	26	-	147,000	147,000	3,336,000
Net movement in funds		490	30,758	31,248	2,845,783
Reconciliation of funds:					
Total funds brought forward		39,925	2,342,677	2,382,602	(463,181)
Net movement in funds		490	30,758	31,248	2,845,783
Total funds carried forward		40,415	2,373,435	2,413,850	2,382,602

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

The notes on pages 20 to 46 form part of these financial statements.

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MUSIC TRUST)**(A company limited by guarantee)****REGISTERED NUMBER: 1673689****BALANCE SHEET
AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	1,551,127	1,575,493
Investments	15	100	100
		<u>1,551,227</u>	<u>1,575,593</u>
Current assets			
Debtors	16	392,155	604,975
Investments	17	596,959	620,309
Cash at bank and in hand		1,220,126	1,226,762
		<u>2,209,240</u>	<u>2,452,046</u>
Creditors: amounts falling due within one year	18	(985,299)	(1,202,037)
Net current assets		<u>1,223,941</u>	<u>1,250,009</u>
Creditors: amounts falling due after more than one year	19	(21,318)	-
Net assets excluding pension liability		<u>2,753,850</u>	<u>2,825,602</u>
Defined benefit pension scheme liability	26	(340,000)	(443,000)
Total net assets		<u><u>2,413,850</u></u>	<u><u>2,382,602</u></u>

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MUSIC TRUST)**(A company limited by guarantee)****REGISTERED NUMBER: 1673689****BALANCE SHEET (CONTINUED)****AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
Charity funds			
Restricted funds	20	40,415	39,925
Unrestricted funds			
Unrestricted funds excluding pension asset	20	2,713,435	2,785,677
Pension reserve	20	(340,000)	(443,000)
Total unrestricted funds	20	<u>2,373,435</u>	<u>2,342,677</u>
Total funds		<u>2,413,850</u>	<u>2,382,602</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:



... J Carroll 14 Feb 2024 10:49:45 GMT (UTC +0)

J Carroll

Chairman of Trustees

Date: 14 February 2024

The notes on pages 20 to 46 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash provided by operating activities	1,384	132,587
	<hr/>	<hr/>
Cash flows from investing activities		
Interest from investments	1,945	-
Purchase of tangible fixed assets	(35,874)	(40,000)
	<hr/>	<hr/>
Net cash used in investing activities	(33,929)	(40,000)
	<hr/>	<hr/>
Cash flows from financing activities		
New hire purchase contracts	30,117	-
Repayments of hire purchase contracts	(4,208)	-
	<hr/>	<hr/>
Net cash provided by financing activities	25,909	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(6,636)	92,587
Cash and cash equivalents at the beginning of the year	1,226,762	1,134,175
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,220,126	1,226,762
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 20 to 46 form part of these financial statements

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

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

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 Music Trust) 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 2023 the balance sheet shows net assets of £2,413,850, compared to £2,382,602 at 31 August 2022. 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 £340,000.

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 MUSIC TRUST)
(A company limited by guarantee)

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

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.

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.

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 MUSIC TRUST)
(A company limited by guarantee)

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

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 £500 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 31.

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 MUSIC TRUST)
(A company limited by guarantee)

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

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 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

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

2.15 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 26.

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 26.

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

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

2. Accounting policies (continued)

2.16 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 20 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.

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 26, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

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

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

4. Income from donations and grants

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	23,584	31,379	54,963	17,422
Grants	-	100	100	20,812
	<u>23,584</u>	<u>31,479</u>	<u>55,063</u>	<u>38,234</u>
Total 2022	<u>14,198</u>	<u>24,036</u>	<u>38,234</u>	

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest received	1,945	1,945	-
	<u>1,945</u>	<u>1,945</u>	<u>-</u>

6. Income from charitable activities

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Fees (see note 7)	-	2,853,218	2,853,218	3,055,368
Government funding	1,343,903	-	1,343,903	1,165,049
Other music related activities (see note 8)	-	419,018	419,018	314,848
Orchestra tax relief	-	2,644	2,644	19,275
	<u>1,343,903</u>	<u>3,274,880</u>	<u>4,618,783</u>	<u>4,554,540</u>
Total 2022	<u>1,165,049</u>	<u>3,389,491</u>	<u>4,554,540</u>	

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

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

7. Fees

	2023 £	2022 £
Lessons and ensembles	2,809,269	3,026,947
Gift Aid	43,949	28,421
	<u>2,853,218</u>	<u>3,055,368</u>

8. Other music related income

	2023 £	2022 £
Examination fees	41,734	45,021
Instrument income	122,554	120,582
Tours	113,507	99,504
Concerts	125,441	36,502
Courses and workshops	15,782	13,239
	<u>419,018</u>	<u>314,848</u>

9. Analysis of charitable expenditure by activities

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Marketing costs	43,102	-	-	43,102	29,550
Charitable financial support	-	134,308	-	134,308	188,379
Teaching costs	2,941,770	-	860,253	3,802,023	3,859,897
Music related costs	371,396	-	117,081	488,477	491,646
Events, courses, concerts and tours	182,347	-	-	182,347	130,656
Pension adjustment	-	-	44,000	44,000	311,000
Governance costs	-	-	44,957	44,957	28,140
	<u>3,538,615</u>	<u>134,308</u>	<u>1,066,291</u>	<u>4,739,214</u>	<u>5,039,268</u>
Total 2022	<u>3,488,394</u>	<u>188,379</u>	<u>1,362,495</u>	<u>5,039,268</u>	

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

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

Analysis of support costs

	2023 £	2022 £
Staff costs	588,732	590,839
Depreciation	58,302	58,469
Travel costs	4,113	4,335
IT costs	86,860	76,615
Postage	3,069	1,200
Telecommunications	23,906	28,374
Staff training	38,559	24,770
Recruitment	1,535	4,421
Insurance	26,217	22,269
Bad debts	17,153	93,430
Bank charges	22,822	26,987
Repairs and maintenance	46,673	25,775
Premises costs	59,393	65,871
Legal and professional	27,567	15,290
Auditor's remuneration	17,390	12,850
Pension adjustment	44,000	311,000
	<u>1,066,291</u>	<u>1,362,495</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 £860,253 (2022: £900,552) and music related costs £117,081 (2022: £122,803).

10. Governance costs

	2023 £	2022 £
Auditor's remuneration	17,390	12,850
Other professional fees	27,567	15,290
	<u>44,957</u>	<u>28,140</u>

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MUSIC TRUST)
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**NOTES TO THE FINANCIAL STATEMENTS
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11. Unrealised (loss)/gain on investment

	2023 £	2022 £
(Losses)/gains on investment assets	<u>(23,350)</u>	<u>7,477</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 2023 the fund value resulted in an unrealised loss of £23,350 (2022: gain of £7,477).

12. Net Income/(expenditure)

This is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	68,740	62,139
Auditor's remuneration	<u>17,390</u>	<u>12,850</u>

During the year, no trustees received any remuneration (2022 - £NIL).

During the year, no trustees received any benefits in kind (2022 - £NIL).

During the year, no trustees received any reimbursement of expenses (2022 - £NIL).

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13. Staff costs

	2023 £	2022 £
Wages and salaries	2,535,127	2,537,374
National insurance costs	220,501	230,384
Other pension costs	547,003	555,877
	<u>3,302,631</u>	<u>3,323,635</u>

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

	2023 No.	2022 No.
Full time management and administration	22	20
Part time management and administration	17	10
Full time teachers	37	50
Part time teachers	39	35
	<u>115</u>	<u>115</u>

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	2	1

During the year remuneration paid to key management personnel, including national insurance contributions, totalled £162,230 (2022: £140,419).

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer and office equipment £	Musical instruments £	Total £
Cost or valuation						
At 1 September 2022	1,719,327	18,345	127,414	251,205	500,253	2,616,544
Additions	-	40,917	2,078	1,379	-	44,374
Disposals	-	(18,345)	-	-	-	(18,345)
At 31 August 2023	<u>1,719,327</u>	<u>40,917</u>	<u>129,492</u>	<u>252,584</u>	<u>500,253</u>	<u>2,642,573</u>
Depreciation						
At 1 September 2022	225,371	18,345	79,235	221,687	496,413	1,041,051
Charge for the year	32,484	8,183	14,215	11,604	2,254	68,740
On disposals	-	(18,345)	-	-	-	(18,345)
At 31 August 2023	<u>257,855</u>	<u>8,183</u>	<u>93,450</u>	<u>233,291</u>	<u>498,667</u>	<u>1,091,446</u>
Net book value						
At 31 August 2023	<u>1,461,472</u>	<u>32,734</u>	<u>36,042</u>	<u>19,293</u>	<u>1,586</u>	<u>1,551,127</u>
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>

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**NOTES TO THE FINANCIAL STATEMENTS
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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:

	2023 £
At Valuation	
Land and building at original cost	891,953
Revaluation in 2014	508,047
	<hr/>
Land and building valuation	1,400,000
At Cost	
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/>
Total	1,719,327

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:

	2023 £	2022 £
Cost	1,211,280	1,211,280
Accumulated Depreciation	(555,648)	(523,279)
	<hr/>	<hr/>
Net book value	655,632	688,001
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2022	100
	<hr/>
At 31 August 2023	100
	<hr/> <hr/>
Net book value	
At 31 August 2023	100
	<hr/>
At 31 August 2022	100
	<hr/> <hr/>
See note 31 for further information.	

16. Debtors

	2023 £	2022 £
Due within one year		
Amounts due in relation to tuition fees	221,800	438,985
Amounts owed by group undertakings	43,298	5,758
Other debtors	71,239	131,688
Prepayments and accrued income	55,818	28,544
	<hr/>	<hr/>
	392,155	604,975
	<hr/> <hr/>	<hr/> <hr/>

17. Current asset investments

	2023 £	2022 £
LF Ruffer total return fund	596,959	620,309
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	76,045	13,602
Other taxation and social security	77,747	85,242
Obligations under hire purchase contracts	4,591	-
Other creditors	58,012	-
Accruals and deferred income	768,904	1,103,193
	<u>985,299</u>	<u>1,202,037</u>

	2023 £
Deferred income	
Deferred income at 1 September 2022	1,097,532
Resources deferred during the year	761,315
Amounts released from previous periods	(1,097,532)
	<u>761,315</u>

19. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Net obligations under hire purchase contracts	<u>21,318</u>	<u>-</u>

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

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Designated funds						
Building maintenance	59,982	-	-	-	-	59,982
IT development fund	74,000	-	-	-	-	74,000
Tour funds	21,131	-	-	-	-	21,131
BMT Bursary	-	-	-	10,500	-	10,500
Endangered programme	-	-	-	3,000	-	3,000
	<u>155,113</u>	<u>-</u>	<u>-</u>	<u>13,500</u>	<u>-</u>	<u>168,613</u>
General funds						
General Funds - all funds	2,630,564	3,338,953	(3,387,845)	(13,500)	(23,350)	2,544,822
Pension reserve	(443,000)	-	(44,000)	-	147,000	(340,000)
	<u>2,187,564</u>	<u>3,338,953</u>	<u>(3,431,845)</u>	<u>(13,500)</u>	<u>123,650</u>	<u>2,204,822</u>
Total Unrestricted funds	<u>2,342,677</u>	<u>3,338,953</u>	<u>(3,431,845)</u>	<u>-</u>	<u>123,650</u>	<u>2,373,435</u>

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted funds						
ACE funding	-	1,194,835	(1,194,835)	-	-	-
Sponsor a child	8,487	893	(2,964)	-	-	6,416
UA disadvantaged funds	21,113	-	(4,565)	-	-	16,548
Greenham Trust	-	3,553	(3,553)	-	-	-
Donated instruments	7,539	-	-	-	-	7,539
Rock band project	-	8,450	(8,450)	-	-	-
Covid-19 hardship fund	1,097	-	(520)	-	-	577
Teachers' Pension fund	-	149,068	(149,068)	-	-	-
Foyle Foundation	1,653	-	(1,653)	-	-	-
The Toby Fund	-	7,304	-	-	-	7,304
Peter Baker Foundation	-	-	-	-	-	-
Ringfenced	36	3,384	(1,389)	-	-	2,031
	<u>39,925</u>	<u>1,367,487</u>	<u>(1,366,997)</u>	<u>-</u>	<u>-</u>	<u>40,415</u>
Total of funds	<u><u>2,382,602</u></u>	<u><u>4,706,440</u></u>	<u><u>(4,798,842)</u></u>	<u><u>-</u></u>	<u><u>123,650</u></u>	<u><u>2,413,850</u></u>

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

Restricted funds

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 Music Trust is in receipt of funding to 31 August 2023 allocated by Central Government via Arts Council England to support the Berkshire Music Hub deliver the National Music Plan. Berkshire Music Trust 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.

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.

Rock Band Project

As part of our new inclusion strategy, we started a rock band project with young carers in West Berkshire. This has not only given these young people a new fun activity to try but also brought them together in a safe space to escape from their caring responsibilities for a short length of time. The project were awarded by financial support from The Miss Lawrence Trust, Englefield Charitable Trust and Greenham Trust.

The Toby Fund

We continued to fundraise for the Toby Fund for the repair and maintenance of bassoons which was setup in memory of bassoonist Toby Davies who died in 2013. The fund can also be used for the development of young bassoonists learning through us at the Trust's discretion.

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

Designated funds

BMT Bursary Fund

After rebranding our trade name to Berkshire Music Trust (BMT), we set aside some general donations for supporting less advantaged children to continue music activities.

Endangered Programme Fund

We set aside a designated fund from general fundraising efforts to support less advantaged children to continue endangered instrument learning activities.

Statement of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Designated funds						
Building maintenance	59,982	-	-	-	-	59,982
IT development fund	74,000	-	-	-	-	74,000
Tour funds	21,131	-	-	-	-	21,131
BMT Bursary	-	-	-	-	-	-
Endangered programme	-	-	-	-	-	-
	<u>155,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,113</u>
General funds						
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>
Total Unrestricted funds	<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>

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20. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted funds						
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
Rock band project	-	-	-	-	-	-
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
The Toby Fund	-	-	-	-	-	-
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>
Total of funds	<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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**NOTES TO THE FINANCIAL STATEMENTS
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21. Summary of funds

Summary of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Designated funds	155,113	-	-	13,500	-	168,613
General funds	2,187,564	3,338,953	(3,431,845)	(13,500)	123,650	2,204,822
Restricted funds	39,925	1,367,487	(1,366,997)	-	-	40,415
	<u>2,382,602</u>	<u>4,706,440</u>	<u>(4,798,842)</u>	<u>-</u>	<u>123,650</u>	<u>2,413,850</u>

Summary of funds - prior 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>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	7,539	1,543,588	1,551,127
Fixed asset investments	-	100	100
Current assets	32,876	2,176,364	2,209,240
Creditors due within one year	-	(985,299)	(985,299)
Creditors due in more than one year	-	(21,318)	(21,318)
Provisions for liabilities and charges	-	(340,000)	(340,000)
Total	<u>40,415</u>	<u>2,373,435</u>	<u>2,413,850</u>

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22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior 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)
Total	39,925	2,342,677	2,382,602

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

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(115,752)	(490,217)
Adjustments for:		
Depreciation charges	68,740	62,139
Unrealised gains on investments	23,350	(7,477)
Interest from investments	(1,945)	-
Gain on disposal of fixed assets	(8,500)	-
Decrease in debtors	212,820	364,973
Decrease in creditors	(221,329)	(107,831)
FRS 102 pension adjustment	44,000	311,000
Net cash provided by operating activities	1,384	132,587

24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	1,220,126	1,226,762
Total cash and cash equivalents	1,220,126	1,226,762

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25. Analysis of changes in net debt

	At 1 September 2022	Cash flows £	Changes in market value and exchange rate movements £	At 31 August 2023 £
	£			
Cash at bank and in hand	1,226,762	(6,636)	-	1,220,126
Finance leases	-	(25,909)	-	(25,909)
Liquid investments	620,309	-	(23,350)	596,959
	<u>1,847,071</u>	<u>(32,545)</u>	<u>(23,350)</u>	<u>1,791,176</u>

26. 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 2022.

Contributions amounting to £57,912 were payable to the schemes at 31 August 2023 (2022: £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.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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
- 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 2024.

The employer's pension costs paid to TPS in the year amounted to £425k (2022: £430k).

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 2023 was £160k (2022: £163k), of which employer's contributions totalled £125k (2022: £126k) and employees' contributions totalled £36k (2022: £38k). The agreed contribution rates for future years are 16.2 per cent plus £32k for the company and 5.5-12.5 per cent for employees.

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

	At 31 August 2023	At 31 August 2022
	%	%
Discount rate	5.30	4.25
Future salary increases	3.90	3.95
Future pension increases	2.90	2.95
Inflation CPI	2.90	2.95

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26. Pension commitments (continued)

	At 31 August 2023 Years	At 31 August 2022 Years
Mortality rates (in years)		
- for a male aged 65 now	20.7	21.0
- at 65 for a male aged 45 now	23.6	23.8
- for a female aged 65 now	22.0	22.3
- at 65 for a female aged 45 now	25.0	25.3

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	2,055,000	1,946,000
Other bonds	386,000	481,000
Property	304,000	417,000
Cash and other liquid assets	24,000	52,000
Target return portfolio	-	5,000
Infrastructure	409,000	338,000
Longevity insurance	(149,000)	(126,000)
Total fair value of assets	3,029,000	3,113,000

The actual return on scheme assets was £(9,000) (2022 - £190,000).

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

	2023 £	2022 £
Current service cost	156,000	377,000
Interest income	(134,000)	(48,000)
Interest cost	150,000	104,000
Administrative expenses	3,000	3,000
Contributions by employer	(131,000)	(125,000)
Total amount recognised in the Statement of Financial Activities	44,000	311,000

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26. Pension commitments (continued)

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

	2023 £
Opening defined benefit obligation	3,556,000
Current service cost	156,000
Interest cost	150,000
Change in financial assumptions	(815,000)
Change in demographic assumptions	(50,000)
Experience gain on defined benefit obligation	445,000
Benefits paid	(113,000)
Employee contributions	40,000
Closing defined benefit obligation	3,369,000

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

	2023 £
Opening fair value of scheme assets	3,113,000
Interest on assets	134,000
Other actuarial gains	(130,000)
Return on asset less interest	(143,000)
Contributions by employer	131,000
Employee contributions	40,000
Benefits paid	(113,000)
Administration expenses	(3,000)
Closing fair value of scheme assets	3,029,000

27. Operating lease commitments

At 31 August 2023 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	53,604	68,595
Later than 1 year and not later than 5 years	49,463	14,875
	103,067	83,470

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28. Indemnity insurance

Funds of the company amounting to £1,414 (2022: £1,233) 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.

29. Related party transactions

During the year, 5 Trustees (2022: 4 Trustees) paid £6,553 (2022: £7,658) 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.

30. 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.

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MUSIC TRUST)
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**NOTES TO THE FINANCIAL STATEMENTS
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31. Principal subsidiaries

The following was a subsidiary undertaking of the company:

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

Holding	Included in consolidation
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100%	No
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The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Maestros Enterprises Limited	700	(9,762)	(9,062)	827