

DORSET RURAL MUSIC SCHOOL, LIMITED

England & Wales · Charity number 306231

Details

Other names DRMS

Status Registered

Legal form Charitable company

Company number [00751458](#)

Registered 1964-01-21

Register [View on the Charity Commission register](#)

Contact

Address Dorset Rural Music School
The Close
Blandford Forum
Dorset
DT11 7HA

Phone 01258452511

Email drmsblandford@gmail.com

Website www.drms-music.co.uk

Activities

Objects: TO ADVANCE THE EDUCATION OF PERSONS RESIDENT IN THE COUNTY OF DORSET IN THE ART AND SCIENCE OF MUSIC, IN PARTICULAR BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING BY:1. THE PROVISION OF TUITION FOR STUDENTS OF ALL AGES;2. THE PROVISION OF MUSIC CENTRES;3. THE PRESENTATION OF PUBLIC PERFORMANCE, CONCERTS AND RECITALS.

Activities: For music lessons in all styles by qualified experienced teachers on all instruments, singing and music theory. All ages , abilities welcome. Instrument hire, music library, music shop, practice rooms available. Music appreciation classes are held at the school which is also the public examination centre for practical music exams.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities

Geography

- **Area of benefit:** DORSET
- Dorset

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£102,415	£105,780	-	-
2023-08-31	£58,538	£93,802	-	-
2022-08-31	£91,411	£103,243	-	-
2021-08-31	£67,516	£62,929	-	-
2020-08-31	£78,353	£79,550	-	-

Trustees

Name	Role	Appointed
Julie Newall	Chair	2016-05-18
Dr Richard Hall		2022-07-25
Gareth Jones		2023-03-31
John Goodman		2020-09-01
Lucy Jane Martin		2024-03-15
MICHAEL WILLIAM MOREL WARREN		2011-11-23

DORSET RURAL MUSIC SCHOOL, LIMITED

England & Wales - Charity number 306231

Accounts

Company registration number: 00751458

Charity registration number: 306231

DORSET RURAL MUSIC SCHOOL LIMITED
KNOWN AS
DORSET RURAL MUSIC SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

Edwards & Keeping

Chartered Accountants

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

CONTENTS

Reference and Administrative Details	1
Trustees' Report	2 to 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 to 23

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Chairman	Mrs J Newall
Trustees:	Mr J Goodman Mr G Jones Mr J H C Privett (resigned 31 October 2023) Dr R C Hall Miss A Ecclestone Miss L J Martin Mr M W M Warren
Senior Management / Leadership Team	Ms E Marsden, Musical Director
Charity Registration Number	306231
Company Registration Number	00751458
Registered Office	The charity is incorporated in England and Wales. The Music School The Close Blandford Forum Dorset DT11 7HA
Independent Examiner	Edwards and Keeping Limited Unity Chambers 34 High East Street Dorchester Dorset DT1 1HA

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

TRUSTEES' REPORT

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 August 2024.

Objectives and activities

Objects and aims

The purposes of the Charity are:

- to provide an organisation for the teaching of music;
- to provide a music centre for students of all ages living in the villages and towns of Dorset, and
- to promote the study and practice of music, especially in its social and co-operative forms among such students.

We aim to promote and encourage musical education and facilities for students of all ages and abilities at our own premises, in local schools, colleges and venues.

Objectives, strategies and activities

The strategies employed to achieve the charity's aims and objectives are to:

- offer tuition in all standard instruments, singing and in the theory of music;
- to teach students at all levels and of all ages;
- to teach a wide variety of musical styles;
- to prepare candidates for exams or play for pleasure;
- to offer the use of a music library and shop, and
- to offer a range of musical instruments for short or long-term hire.

Public benefit

Teaching is our core activity where we offer flexibility to meet your musical needs. We are able, to provide group or individual tuition, at the Music School, in your home or via Zoom and we welcome all ages and abilities. In our ever, changing society our School continues to evolve offering Music Therapy and reaching out through community projects.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

TRUSTEES' REPORT

Achievements and performance

We have resumed full charitable activities to include one to one tuition and group courses. Significant changes with regard to social dynamics, and a radical downward shift in the national economy, have hit many pupils with a severe financial impact. We have been keen to support pupils with affordable tuition fees, although we have also been affected by the rising operational costs for the charity. During this volatile period we have lost pupils, however we have also gained new pupils. Our pupil numbers are now comparable with pre-covid statistics with regard to lessons received 'in-house' at the music school, the unavoidable and increasing costs to the charity have remained a concern.

At the beginning of the new financial year, the risk of losing long term sustainability for the school continued to rise, we sought grants to support our concerns and the Trustees considered further options to secure the future of the school. In October 2023, the future of DRMS was truly transformed when we received a significant funding pledge from a new Benefactor introduced to the school, who has embraced all that the charity represents, enabling us to stabilise and develop.

With a generous provision of monthly gifting, bursary provision and match funding from our Benefactor, we have created a new 'Discovery,' programme for state schools. This programme is focusing upon young families who cannot afford instrumental lessons, but whose children benefit significantly from their weekly tuition. We have substantially grown our pupil numbers 'out of house,' effectively putting the music school on the road to reach out to pupils across the county. We have doubled pupil numbers for one to one tuition, we have also increased our group activity numbers. In addition we have reached over one thousand recipients engaged in our funded project deliveries of early 2024, and following this success we have launched a major schools Health and Wellbeing campaign through Samba workshops, which focus upon Song, Dance and Drumming through Brazilian polyrhythms. This module of our delivery is titled 'The Rhythm of Life.' The project reaches all ages and abilities, including Special Schools and SEND pupils in mainstream schools. By August 2024, we reached over 3000 pupils in state schools and special schools across Dorset and South Somerset. As a consequence we are recruiting new in-house pupils, we are supporting the mental health of young people across the county and we are engaging schools teaching staff with professional development opportunities through inset sessions to develop their skills and confidence in music delivery whilst also team building effectively. This work has further ensured that the Dorset Rural Music School can now benefit from being within the umbrella of Dorset Council for Safeguarding due to our significant outreach to schools across the county, we greatly value this addition to our profile which is highly significant as to the growth of our pupil numbers. We receive regular requests for return visits of our Rhythm of Life initiative to state schools in Dorset and South Somerset.

Financial review

During the year, the charity received £45,105 from donations and legacies, grossed up by a Gift Aid claim. (2023 £6,736). The increase in donations is largely due to a new benefactor who has committed to support of monthly gifting of £2,500, £1,000 per month to fund bursaries for students who cannot afford the full rate and an additional sum in January and July equal to double the amount raised in the preceding 6 months up to a maximum of £10,000 per year. This has strengthened the charity's position and a surplus of £3,512 was realised for the year, which is a significant improvement on the deficit of £36,155 for the year ended 31 August 2023.

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

TRUSTEES' REPORT

Funds in deficit

The unrestricted funds continued to be in deficit with a closing position of £7,410 at 31 August 2024 (£10,922 31 August 2023). In order to reverse the deficit and move into a surplus position, we have taken a strategy of investing our generated unreserved funds in our major schools projects, The Discovery Programme, and The Rhythm of Life project. This approach is highly effective in raising a stronger awareness of the Dorset Rural Music School. With the complete support of our Benefactor, we have worked solidly and consistently throughout the school year to reach village schools, larger state Junior schools in towns, Senior schools and Special Schools. Our work has attracted funding support from several different sources. This approach has led to secured bookings in the diary for the future. We have the support of Head Teachers and their staff in the schools that are now part of the DRMS remit, we have attracted significant funding from The Mansel-Pleydell Trust, Rotarians, and further significant donors including the Semma Fund, in the current financial year. This work has raised our visual profile and places the school in a strong position to be considered for future funding. We evaluate our work and we know that it is meaningful for our recipients from the feedback that we receive.

Going concern

The Trustees consider that it is appropriate to prepare the financial statements on a going concern basis. The main creditor of £32,000 is a loan issued by one of the Trustees and repayment is not required, until the charity is in a secure position to do so. Since the year end, the Trustee has confirmed £20,000 of the loan will not be repayable, and this will be reflected in the 31 August 2025 accounts. The commitment of funds from the benefactor and an increase in pupil numbers have both contributed to a significant increase in revenue post 31 August 2024.

In addition the Trustees continue to investigate opportunities to enhance the long term sustainability of the Music School and identify areas where the financial performance can be improved. As a result of these factors the Trustees consider the going concern basis is appropriate.

Structure, governance and management

Nature of governing document

Dorset Rural Music School is a company limited by guarantee governed by its Memorandum and Articles of Association dated 26th February 1963. It is registered as a charity with the Charity Commission.

Recruitment and appointment of trustees

It is a requirement that the Board of Governors shall have full discretion as to the admission of any person wishing to become a trustee on the Board upon written request.

Induction and training of trustees

The existing Trustees ensure that new members are given sufficient training and gain enough knowledge to understand the nature of the charity to fully comply with its aims and objectives.

Arrangements for setting key management personnel remuneration

The key management to Dorset Rural Music School, other than the Trustees, is the Musical Director whose rate of pay is reviewed by the Trustees, whom themselves receive no remuneration.

Organisational structure

The Board of Governors, administers the charity and have appointed the Musical Director to be responsible for the day to day activities of the Charity. The Musical Director is also responsible for reporting to a smaller group of Trustees, a sub committee, primarily dealing with the financial affairs of the Charity, who meet on a regular basis.

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

TRUSTEES' REPORT

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Funds held as custodian trustee on behalf of others

The Charity administers a COIF Charities Investment Fund - Income Units at a market value of £2,940 (2023 £2,718) at the balance sheet date.

This fund is known as 'The Fanny Kindersley Trust' and upon her death Fanny Kindersley, who formed the Dorset Choral Association, left a legacy in order that a memorial trust could be formed and administered by the Dorset Choral Association. The income from that trust fund was to be accumulated and awarded in every third year to a promising musician resident in the County of Dorset for the purpose of assisting in his or her musical education or advancement. Since the demise of the Dorset Choral Association in 1976 the administration of this fund has passed to the Dorset Rural Music School.

The capital is invested in a separate fund entitled 'The Fanny Kindersley Trust' and is not reflected on the Balance Sheet as part of the School's Funds. However, the Trustees who administer this investment have voted the income thereon be donated to the Dorset Rural Music School in furtherance of its objectives.

Statement of trustees' responsibilities

The trustees (who are also the directors of Dorset Rural Music School Limited 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

TRUSTEES' REPORT

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 charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the trustees of the charity on 24 August 2025 and signed on its behalf by:

.....
Mrs J Newall
Chairman

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DORSET RURAL MUSIC SCHOOL LIMITED

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Dorset Rural Music School Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

S J Hough FCA

Edwards and Keeping Limited
Unity Chambers
34 High East Street
Dorchester
Dorset
DT1 1HA

28 August 2025

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2024 (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income and Endowments from:					
Donations and legacies	3	45,105	-	45,105	6,736
Charitable activities	4	57,067	-	57,067	47,983
Other trading activities	5	108	-	108	3,321
Investment income	6	135	-	135	498
Total income		<u>102,415</u>	<u>-</u>	<u>102,415</u>	<u>58,538</u>
Expenditure on:					
Raising funds	7	(138)	-	(138)	(2,444)
Charitable activities	8	<u>(98,920)</u>	<u>(6,722)</u>	<u>(105,642)</u>	<u>(91,358)</u>
Total expenditure		(99,058)	(6,722)	(105,780)	(93,802)
Gains/losses on investment assets		<u>155</u>	<u>-</u>	<u>155</u>	<u>(891)</u>
Net income/(expenditure)		<u>3,512</u>	<u>(6,722)</u>	<u>(3,210)</u>	<u>(36,155)</u>
Net movement in funds		3,512	(6,722)	(3,210)	(36,155)
Reconciliation of funds					
Total funds brought forward		<u>(10,922)</u>	<u>9,549</u>	<u>(1,373)</u>	<u>34,782</u>
Total funds carried forward	22	<u><u>(7,410)</u></u>	<u><u>2,827</u></u>	<u><u>(4,583)</u></u>	<u><u>(1,373)</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 22.

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

(REGISTRATION NUMBER: 00751458)

BALANCE SHEET AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	15	12,725	12,536
Investments	16	<u>2,055</u>	<u>1,900</u>
		<u>14,780</u>	<u>14,436</u>
Current assets			
Stocks	17	6,742	6,321
Debtors	18	7,475	8,860
Cash at bank and in hand	19	<u>13,058</u>	<u>1,648</u>
		27,275	16,829
Creditors: Amounts falling due within one year	20	<u>(46,638)</u>	<u>(32,638)</u>
Net current liabilities		<u>(19,363)</u>	<u>(15,809)</u>
Net liabilities		<u>(4,583)</u>	<u>(1,373)</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		2,827	9,549
Unrestricted income funds			
Unrestricted funds		<u>(7,410)</u>	<u>(10,922)</u>
Total funds	22	<u>(4,583)</u>	<u>(1,373)</u>

For the financial year ending 31 August 2024 the charity was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 8 to 23 were approved by the trustees, and authorised for issue on 24 August 2025 and signed on their behalf by:

.....
Mrs J Newall
Chairman

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Dorset Rural Music School Limited 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 notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity. Further details are shown in the Trustees' report.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity 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 charity 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.

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

Tangible fixed assets

Individual fixed assets are initially recorded at cost, and thereafter cost less any subsequent depreciation and/or impairment.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	Not depreciated
Music for library	Not depreciated
Musical instruments	10% reducing balance
Fixtures and fittings	10% reducing balance
Office equipment	10% reducing balance

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from individuals	45,105	-	45,105
Total for 2024	<u>45,105</u>	<u>-</u>	<u>45,105</u>
Total for 2023	<u>3,036</u>	<u>3,700</u>	<u>6,736</u>

4 Income from charitable activities

	Unrestricted funds General £	Total funds £
The study and practice of music	57,067	57,067
Total for 2024	<u>57,067</u>	<u>57,067</u>
Total for 2023	<u>47,983</u>	<u>47,983</u>

5 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income;		
Sales of goods and services	8	8
Events income;		
Other events income	100	100
Total for 2024	<u>108</u>	<u>108</u>
Total for 2023	<u>3,321</u>	<u>3,321</u>

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

6 Investment income

	Unrestricted funds General £	Total funds £
Other investment income	135	135
Total for 2024	<u>135</u>	<u>135</u>
Total for 2023	<u>498</u>	<u>498</u>

7 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds General £	Total funds £
Cost of goods sold	138	138
Total for 2024	<u>138</u>	<u>138</u>
Total for 2023	<u>2,444</u>	<u>2,444</u>

8 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
The study and practice of music		61,478	6,482	67,960
Depreciation, amortisation and other similar costs		1,390	-	1,390
Staff costs		29,996	-	29,996
Allocated support costs	9	1,256	240	1,496
Governance costs	9	4,800	-	4,800
Total for 2024		<u>98,920</u>	<u>6,722</u>	<u>105,642</u>
Total for 2023		<u>88,268</u>	<u>3,090</u>	<u>91,358</u>

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

9 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds General £	Restricted funds £	Total funds £
Repairs and renewals	271	-	271
Telephone and internet	68	-	68
Computer software and maintenance costs	84	240	324
Printing, postage and stationery	273	-	273
Bank Charges	560	-	560
Total for 2024	<u>1,256</u>	<u>240</u>	<u>1,496</u>
Total for 2023	<u>1,858</u>	<u>3,090</u>	<u>4,948</u>

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	3,000	3,000
Other fees paid to examiners	1,800	1,800
Total for 2024	<u>4,800</u>	<u>4,800</u>
Total for 2023	<u>6,900</u>	<u>6,900</u>

10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2024 £	2023 £
Loss on disposal of fixed assets held for the charity's own use	722	-
Depreciation of fixed assets	668	647

11 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Dr R C Hall

Dr R C Hall received payments of £702 (2023: £1,612) during the year.

This payments were made in respect of freelance music tutor services provided.

Miss L J Martin

Miss L J Martin received payments of £6,187 (2023: £2,964) during the year.

The payments were made in respect of freelance music tutor services provided.

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

12 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	29,996	31,048
Pension costs	-	270
	<u>29,996</u>	<u>31,318</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2024 No	2023 No
Musical director	1	1
Office administrator	-	1
	<u>1</u>	<u>2</u>

No employee received emoluments of more than £60,000 during the year.

13 Independent examiner's remuneration

	2024 £	2023 £
Examination of the financial statements	<u>3,000</u>	<u>3,300</u>
Other fees to examiners		
All other services	<u>1,800</u>	<u>3,600</u>

14 Taxation

The charity is a registered charity and is therefore exempt from taxation.

15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 September 2023	5,563	35,352	40,915
Additions	-	1,578	1,578
Disposals	-	(891)	(891)
At 31 August 2024	<u>5,563</u>	<u>36,039</u>	<u>41,602</u>

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

	Land and buildings £	Furniture and equipment £	Total £
Depreciation			
At 1 September 2023	-	28,379	28,379
Charge for the year	-	667	667
Eliminated on disposals	-	(169)	(169)
	<hr/>	<hr/>	<hr/>
At 31 August 2024	-	28,877	28,877
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 August 2024	5,563	7,162	12,725
	<hr/>	<hr/>	<hr/>
At 31 August 2023	5,563	6,973	12,536
	<hr/>	<hr/>	<hr/>

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

16 Fixed asset investments

	2024 £	2023 £
Other investments	<u>2,055</u>	<u>1,900</u>

Other investments

	Unlisted investments £	Total £
Cost or Valuation		
At 1 September 2023	1,900	1,900
Revaluation	<u>155</u>	<u>155</u>
At 31 August 2024	<u>2,055</u>	<u>2,055</u>
Net book value		
At 31 August 2024	<u>2,055</u>	<u>2,055</u>
At 31 August 2023	<u>1,900</u>	<u>1,900</u>

17 Stock

	2024 £	2023 £
Stocks	<u>6,742</u>	<u>6,321</u>

18 Debtors

	2024 £	2023 £
Trade debtors	7,475	769
Other debtors	<u>-</u>	<u>8,091</u>
	<u>7,475</u>	<u>8,860</u>

19 Cash and cash equivalents

	2024 £	2023 £
Cash on hand	10	10
Cash at bank	<u>13,048</u>	<u>1,638</u>
	<u>13,058</u>	<u>1,648</u>

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

20 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	-	5,661
Other loans	32,000	12,000
Other taxation and social security	839	465
Other creditors	1,845	7,912
Accruals	11,954	6,600
	<u>46,638</u>	<u>32,638</u>

Other borrowings

Other loans comprise an interest free loan amounting to £32,000 from Dr R Hall to the School in furtherance of its charitable activities. This is an existing loan of £12,000 and a further loan of £20,000 made in the year ended 31 August 2024. The loan is repayable on demand. Since the year end, Dr R Hall has confirmed that he won't be requesting repayment of £20,000 of the loan and this will be reflected in the accounts to 31 August 2025. Dr R Hall was employed as Musical Director until his retirement from this position in December 2021 when he was appointed a Trustee of the Charity.

21 Contingent liabilities

The charity had a charge of £9,000 raised against it which is disputed by the trustees and considered not probable to be incurred. The charge relates to professional services and has not been pursued since the year end.

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

22 Funds

	Balance at 1 September 2023 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2024 £
Unrestricted funds					
General					
General Fund	(10,922)	102,415	(99,058)	155	(7,410)
Restricted funds					
Business Resilience Fund	3,099	-	(272)	-	2,827
D'Oyly Carte Fund	2,750	-	(2,750)	-	-
Craft Union - Press Pause Fund	1,000	-	(1,000)	-	-
Dorset Council - Arts and Culture Fund	1,750	-	(1,750)	-	-
Nature Heals Fund	950	-	(950)	-	-
	<u>9,549</u>	<u>-</u>	<u>(6,722)</u>	<u>-</u>	<u>2,827</u>
Total funds	<u>(1,373)</u>	<u>102,415</u>	<u>(105,780)</u>	<u>155</u>	<u>(4,583)</u>

The general fund of the charity includes the sum of £155 (2023 £891) in respect of the revaluation of investments.

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General						
General fund	25,843	54,340	(86,842)	(3,372)	(891)	(10,922)
Restricted						
Business Resilience Fund	6,189	-	(3,090)	-	-	3,099
D'Oyly Carte Fund	2,750	-	-	-	-	2,750
Craft Union - Press pause Fund	-	1,000	-	-	-	1,000
Dorset Council - Arts and Culture Fund	-	1,750	-	-	-	1,750
Nature Heals Fund	-	950	-	-	-	950
Total restricted funds	<u>8,939</u>	<u>3,700</u>	<u>(3,090)</u>	<u>-</u>	<u>-</u>	<u>9,549</u>
Total funds	<u>34,782</u>	<u>58,040</u>	<u>(89,932)</u>	<u>(3,372)</u>	<u>(891)</u>	<u>(1,373)</u>

The specific purposes for which the funds are to be applied are as follows:

The Business Resilience Fund received from Dorset Council has enabled the charity to actively seek professional advice and implement new strategies to promote and move the school forward in our ever changing society.

Whilst the remaining restricted funds have been awarded for the provision of community projects, promoting the benefits of music and song to a wider audience.

DORSET RURAL MUSIC SCHOOL LIMITED

KNOWN AS DORSET RURAL MUSIC SCHOOL

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

23 Related party transactions

During the year the charity made the following related party transactions:

Mrs J Newall

(Trustee)

During the year ended 31 August 2024, Mrs J Newall provided a loan of £2,000 to the charity. The loan was repaid before the year end.. At the balance sheet date the amount due to/from Mrs J Newall was £Nil (2023 - £Nil).

Dr R Hall

(Trustee)

Other loans in note 20, comprise an interest free loan amounting to £32,000 from Dr R Hall to the School in furtherance of its charitable activities. This is an existing loan of £12,000 and a further loan of £20,000 made in the year ended 31 August 2024. The loan is repayable on demand. Since the year end, Dr R Hall has confirmed that he will not be requesting repayment of £20,000 of the loan and this will be reflected in the accounts to 31 August 2025. Dr R Hall was employed as Musical Director until his retirement from this position in December 2021, when he was appointed a Trustee of the Charity. At the balance sheet date the amount due to Dr R Hall was £32,000 (2023 - £12,000).

DORSET RURAL MUSIC SCHOOL, LIMITED

England & Wales - Charity number 306231

Accounts

Company registration number: 00751458

Charity registration number: 306231

Dorset Rural Music School Limited

known as

Dorset Rural Music School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

Harney & Co Limited
Registered Auditor and Chartered Certified Accountant
21 Market Place
Blandford Forum
Dorset
DT11 7AF

Dorset Rural Music School Limited
known as Dorset Rural Music School

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8 to 9
Notes to the Financial Statements	10 to 24

Dorset Rural Music School Limited
known as Dorset Rural Music School

Reference and Administrative Details

Trustees	Mrs J Newall, Chairman Mr J H C Privett Miss A Ecclestone Mr J Goodman Mr M W Warren Dr R C Hall E R Bray Miss L J Martin Mr G Jones
Senior Management / Leadership Team	Ms E Marsden, Musical Director
Charity Registration Number	306231
Company Registration Number	00751458
Registered Office	The charity is incorporated in England and Wales. The Music School The Close Blandford Forum Dorset DT11 7HA
Independent Examiner	Harney & Co Limited Registered Auditor and Chartered Certified Accountant 21 Market Place Blandford Forum Dorset DT11 7AF

Dorset Rural Music School Limited
known as Dorset Rural Music School

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 August 2023.

Objectives and activities

Objects and aims

The purposes of the Charity are:

- to provide an organisation for the teaching of music;
- to provide a music centre for students of all ages living in the villages and towns of Dorset, and
- to promote the study and practice of music, especially in its social and co-operative forms among such students.

We aim to promote and encourage musical education and facilities for students of all ages and abilities at our own premises, in local schools, colleges and venues.

Objectives, strategies and activities

The strategies employed to achieve the charity's aims and objectives are to:

- offer tuition in all standard instruments, singing and in the theory of music;
- to teach students at all levels and of all ages;
- to teach a wide variety of musical styles;
- to prepare candidates for exams or play for pleasure;
- to offer the use of a music library and shop, and
- to offer a range of musical instruments for short or long-term hire.

Public benefit

Teaching is our core activity where we offer flexibility to meet your musical needs. We are able, to provide group or individual tuition, at the Music School, in your home or via Zoom and we welcome all ages and abilities. In our ever, changing society our School continues to evolve offering Music Therapy and reaching out through community projects.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

After the final Covid restrictions were lifted in the 2022 financial year, this has been the first year where full charitable activities could be resumed. With a shift in social factors, it has been difficult to maintain affordable tuition fees whilst covering the unavoidable and increasing costs to the charity. There has been a steady level of charitable income but, unfortunately this has not reached our pre pandemic levels.

We are however, pleased that the School has received grant funding, to enable the provision of some community projects, as we continue to research ideas and ways to reach the wider community.

Financial review

With the charity income at an all-time low, and increased running costs the School took the unprecedented decision to utilize a large proportion of its unrestricted reserves. At the year end the charity held an investment value of £1,900 as compared to £22,742 the previous year.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Trustees' Report

Funds in deficit

Sadly the unrestricted general fund fell into deficit to the sum of £10,922. In order to mitigate the situation the charity has continued to look at ways in which to reduce its costs and increase income. Further grant applications have been made and the intentions are to increase awareness of the Music School's existence to a wider community of Dorset.

Going concern

The trustees consider that it is appropriate to prepare the financial statements on a going concern basis. The going concern assumption is based on the current financial position of the Music School, whereby a sponsor has been secured and has committed to a monthly donation of £2,500, a monthly bursary funding of £1,000 and up to £10,000 as an annual fund to match donations received by the Music School. Pupil numbers have also increased in the current financial year and therefore the School's charitable activity income has also increased.

In addition the Trustees continue to investigate opportunities to enhance the long term sustainability of the Music School and identify areas where the financial performance can be improved. As a result of these factors the Trustees consider the going concern basis is appropriate.

Structure, governance and management

Nature of governing document

Dorset Rural Music School is a company limited by guarantee governed by its Memorandum and Articles of Association dated 26th February 1963. It is registered as a charity with the Charity Commission.

Recruitment and appointment of trustees

It is a requirement that the Board of Governors shall have full discretion as to the admission of any person wishing to become a trustee on the Board upon written request.

Induction and training of trustees

The existing Trustees ensure that new members are given sufficient training and gain enough knowledge to understand the nature of the charity to fully comply with its aims and objectives.

Arrangements for setting key management personnel remuneration

The key management to Dorset Rural Music School, other than the Trustees, is the Musical Director whose rate of pay is reviewed by the Trustees, whom themselves receive no remuneration.

Organisational structure

The Board of Governors, administers the charity and have appointed the Musical Director to be responsible for the day to day activities of the Charity. The Musical Director is also responsible for reporting to a smaller group of Trustees, a sub committee, primarily dealing with the financial affairs of the Charity, who meet on a regular basis.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Trustees' Report

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Funds held as custodian trustee on behalf of others

The Charity administers a COIF Charities Investment Fund - Income Units at a market value of £2,718 (2022 £2,771) at the balance sheet date.

This fund is known as 'The Fanny Kindersley Trust' and upon her death Fanny Kindersley, who formed the Dorset Choral Association, left a legacy in order that a memorial trust could be formed and administered by the Dorset Choral Association. The income from that trust fund was to be accumulated and awarded in every third year to a promising musician resident in the County of Dorset for the purpose of assisting in his or her musical education or advancement. Since the demise of the Dorset Choral Association in 1976 the administration of this fund has passed to the Dorset Rural Music School.

The capital is invested in a separate fund entitled 'The Fanny Kindersley Trust' and is not reflected on the Balance Sheet as part of the School's Funds. However, the Trustees who administer this investment have voted the income thereon be donated to the Dorset Rural Music School in furtherance of its objectives.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of Dorset Rural Music School Limited 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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 charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 24 June 2024 and signed on its behalf by:



.....
Mrs J Newall
Trustee

Dorset Rural Music School Limited
known as Dorset Rural Music School

**Independent Examiner's Report to the trustees of Dorset Rural Music School Limited
(the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2023.

Responsibilities and basis of report

As the charity's trustees of Dorset Rural Music School Limited (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Dorset Rural Music School Limited are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Dorset Rural Music School Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....
Mrs S A Harney
Registered Auditor and Chartered Certified Accountant

21 Market Place
Blandford Forum
Dorset
DT11 7AF

24 June 2024

Dorset Rural Music School Limited

known as Dorset Rural Music School

**Statement of Financial Activities for the Year Ended 31 August 2023
(Including Income and Expenditure Account and Statement of Total Recognised Gains
and Losses)**

	Note	Unrestricted £	Restricted £	2023 £	2022 £
Income and Endowments from:					
Donations and legacies	3	3,036	3,700	6,736	39,792
Charitable activities	4	47,983	-	47,983	45,159
Other trading activities	5	3,321	-	3,321	5,770
Investment income	6	498	-	498	640
Other income	7	-	-	-	50
Total income		<u>54,838</u>	<u>3,700</u>	<u>58,538</u>	<u>91,411</u>
Expenditure on:					
Raising funds	8	(2,445)	-	(2,445)	(4,450)
Charitable activities	9	<u>(88,267)</u>	<u>(3,090)</u>	<u>(91,357)</u>	<u>(98,793)</u>
Total expenditure		(90,712)	(3,090)	(93,802)	(103,243)
Gains/losses on investment assets		<u>(891)</u>	-	<u>(891)</u>	<u>(1,095)</u>
Net (expenditure)/income		<u>(36,765)</u>	<u>610</u>	<u>(36,155)</u>	<u>(12,927)</u>
Net movement in funds		(36,765)	610	(36,155)	(12,927)
Reconciliation of funds					
Total funds brought forward		<u>25,843</u>	<u>8,939</u>	<u>34,782</u>	<u>47,709</u>
Total funds carried forward	23	<u>(10,922)</u>	<u>9,549</u>	<u>(1,373)</u>	<u>34,782</u>

All of the charity's activities derive from continuing operations during the above two periods.

A summary of income, expenditure and other recognised gains/losses is shown in note 23.

The notes on pages 10 to 24 form an integral part of these financial statements.

Dorset Rural Music School Limited
known as Dorset Rural Music School
(Registration number: 00751458)
Balance Sheet as at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	17	12,536	13,183
Investments	18	1,900	22,743
		<u>14,436</u>	<u>35,926</u>
Current assets			
Stocks	19	6,321	6,345
Debtors	20	8,861	7,181
Cash at bank and in hand	21	1,647	5,280
		16,829	18,806
Creditors: Amounts falling due within one year	22	<u>(32,638)</u>	<u>(19,950)</u>
Net current liabilities		<u>(15,809)</u>	<u>(1,144)</u>
Net (liabilities)/assets		<u>(1,373)</u>	<u>34,782</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		9,549	8,939
Unrestricted income funds			
Unrestricted funds		<u>(10,922)</u>	<u>25,843</u>
Total funds	23	<u>(1,373)</u>	<u>34,782</u>

For the financial year ending 31 August 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 10 to 24 form an integral part of these financial statements.

Dorset Rural Music School Limited
known as Dorset Rural Music School
(Registration number: 00751458)
Balance Sheet as at 31 August 2023

The financial statements on pages 7 to 24 were approved by the trustees, and authorised for issue on 24 June 2024 and signed on their behalf by:



.....
Mrs J Newall
Trustee

The notes on pages 10 to 24 form an integral part of these financial statements.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Dorset Rural Music School Limited 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 notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity 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 charity 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.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

Tangible fixed assets

Individual fixed assets are initially recorded at cost, and thereafter cost less any subsequent depreciation and/or impairment.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	0%
Music for library	0%
Musical instruments	10% reducing balance
Fixtures and fittings	10% reducing balance
Office equipment	10% reducing balance

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from individuals	2,297	-	2,297
Grants, including capital grants;			
Government grants	-	1,750	1,750
Grants from other charities	-	950	950
Grants from companies	-	1,000	1,000
Donations from community groups	79	-	79
Regular giving and capital donations	660	-	660
Total for 2023	<u>3,036</u>	<u>3,700</u>	<u>6,736</u>
Total for 2022	<u>7,542</u>	<u>32,250</u>	<u>39,792</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

4 Income from charitable activities

	Unrestricted funds General £	Total funds £
The study and practice of music	47,983	47,983
Total for 2023	47,983	47,983
Total for 2022	45,159	45,159

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

5 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income;		
Sales of goods and services	2,711	2,711
Events income;		
Other events income	610	610
Total for 2023	<u>3,321</u>	<u>3,321</u>
Total for 2022	<u>5,770</u>	<u>5,770</u>

6 Investment income

	Unrestricted funds General £	Total funds £
Other investment income	498	498
Total for 2023	<u>498</u>	<u>498</u>
Total for 2022	<u>640</u>	<u>640</u>

7 Other income

	Unrestricted funds General £	Total funds £
Total for 2022	<u>50</u>	<u>50</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

8 Expenditure on raising funds

a) Costs of trading activities

	Note	Unrestricted funds General £	Total funds £
Costs of goods sold		2,445	2,445
Total for 2023		<u>2,445</u>	<u>2,445</u>
Total for 2022		<u>4,450</u>	<u>4,450</u>

9 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
The study and practice of music		47,495	-	47,495
Depreciation, amortisation and other similar costs		647	-	647
Staff costs		31,317	-	31,317
Allocated support costs	10	1,858	3,090	4,948
Governance costs	10	<u>6,950</u>	-	<u>6,950</u>
Total for 2023		<u>88,267</u>	<u>3,090</u>	<u>91,357</u>
Total for 2022		<u>75,482</u>	<u>23,311</u>	<u>98,793</u>

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

10 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Staff welfare costs	9	-	9
Repairs and renewals	69	-	69
Telephone and internet	671	-	671
Computer software and maintenance costs	715	2,340	3,055
Printing, postage and stationery	215	-	215
Bank Charges	179	-	179
Consultancy	-	750	750
	<u>1,858</u>	<u>3,090</u>	<u>4,948</u>

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Staff welfare costs	14	-	14
Repairs and renewals	89	-	89
Telephone and internet	2,051	-	2,051
Computer software and maintenance costs	423	2,151	2,574
Printing, postage and stationery	225	-	225
Cleaning	945	-	945
Bank Charges	205	-	205
Consultancy	-	21,160	21,160
	<u>3,952</u>	<u>23,311</u>	<u>27,263</u>

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	3,300	3,300
Other fees paid to examiners	3,600	3,600
Other governance costs	50	50
Total for 2023	<u>6,950</u>	<u>6,950</u>
Total for 2022	<u>4,033</u>	<u>4,033</u>

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

11 Government grants

The charity has been in receipt of a Dorset Council Grant during the year for Arts and Culture. In 2022 the charity received two Dorset Council Grants during the year, a Hospitality Grant and a Business Recovery Grant.

The amount of grants recognised in the financial statements was £1,750 (2022 - £32,167).

12 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023	2022
	£	£
Depreciation of fixed assets	<u>647</u>	<u>719</u>

13 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Dr R C Hall

Who was appointed as a trustee on 11 December 2022, received £1,612 during the year as a freelance music tutor.

Miss L J Martin

Miss L J Martin received remuneration of £2,964 (2022: £10,241) during the year.

Between September 2022 and March 2023, when her employment ceased, Miss L J Martin had been employed as an administrative assistant by the charity. On 23 December 2022 Miss L J Martin was appointed as a trustee and continued as a freelance music tutor also receiving £4,203 in this respect during the year.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

14 Staff costs

The aggregate payroll costs were as follows:

	2023	2022
	£	£
Staff costs during the year were:		
Wages and salaries	31,047	28,901
Pension costs	270	-
	<u>31,317</u>	<u>28,901</u>
	<u>31,317</u>	<u>28,901</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2023	2022
	No	No
Musical director	1	1
Office administrator	1	1
Music teachers	-	1
	<u>2</u>	<u>3</u>
	<u>2</u>	<u>3</u>

No employee received emoluments of more than £60,000 during the year.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

15 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	3,300	4,020
Other fees to examiners		
All other services	3,600	-

16 Taxation

The charity is a registered charity and is therefore exempt from taxation.

17 Tangible fixed assets

	Land and buildings £	Instruments and equipment £	Total £
Cost			
At 1 September 2022	5,563	35,352	40,915
At 31 August 2023	5,563	35,352	40,915
Depreciation			
At 1 September 2022	-	27,732	27,732
Charge for the year	-	647	647
At 31 August 2023	-	28,379	28,379
Net book value			
At 31 August 2023	5,563	6,973	12,536
At 31 August 2022	5,563	7,620	13,183

18 Fixed asset investments

	2023 £	2022 £
Unlisted investments	1,900	22,743

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

	Total £
Cost or Valuation	
At 1 September 2022	22,743
Revaluation	(891)
Disposals	<u>(19,952)</u>
At 31 August 2023	<u>1,900</u>
Net book value	
At 31 August 2023	<u>1,900</u>
At 31 August 2022	<u>22,743</u>

19 Stock

	2023 £	2022 £
Stocks	<u>6,321</u>	<u>6,345</u>

20 Debtors

	2023 £	2022 £
Trade debtors	769	2,194
Prepayments	-	1,167
Other debtors	<u>8,092</u>	<u>3,820</u>
	<u>8,861</u>	<u>7,181</u>

21 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	10	2
Cash at bank	<u>1,637</u>	<u>5,278</u>
	<u>1,647</u>	<u>5,280</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

22 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	5,661	7
Other loans	12,000	12,000
Other taxation and social security	465	-
Trustees current accounts	-	242
Other creditors	7,912	3,661
Accruals	6,600	4,040
	<u>32,638</u>	<u>19,950</u>

Other loans

Other loans comprise an interest free loan amounting to £12,000 from Dr R Hall to the School in furtherance of its charitable activities. The loan is repayable on demand. Dr R Hall was employed as Musical Director until his retirement from this position in December 2021 when he was appointed a Trustee of the Charity.

23 Funds

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2023 £
Unrestricted funds					
<i>General</i>					
General Funds	25,843	54,340	(86,842)	(891)	(7,550)
Restricted funds					
Business Resilience Fund	6,189	-	(3,090)	-	3,099
D'Oyly Carte Fund	2,750	-	-	-	2,750
Craft Union - Press Pause Fund	-	1,000	-	-	1,000
Dorset Council - Arts and Culture Fund	-	1,750	-	-	1,750
Nature Heals Fund	-	950	-	-	950
	<u>8,939</u>	<u>3,700</u>	<u>(3,090)</u>	<u>-</u>	<u>9,549</u>
Total funds	<u>34,782</u>	<u>58,040</u>	<u>(89,932)</u>	<u>(891)</u>	<u>1,999</u>

The general fund of the charity includes the sum of £729 (2022 £9,196) in respect of the revaluation of investments.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2023

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2022 £
Unrestricted funds					
<i>General</i>					
General Funds	47,709	58,521	(79,932)	(1,095)	25,203
Restricted funds					
Business Resilience Fund	-	29,500	(23,311)	-	6,189
D'Oyly Carte Fund	-	2,750	-	-	2,750
	<u>-</u>	<u>32,250</u>	<u>(23,311)</u>	<u>-</u>	<u>8,939</u>
Total funds	<u>47,709</u>	<u>90,771</u>	<u>(103,243)</u>	<u>(1,095)</u>	<u>34,142</u>

The specific purposes for which the funds are to be applied are as follows:

The Business Resilience Fund received from Dorset Council has enabled the charity to actively seek professional advice and implement new strategies to promote and move the school forward in our ever changing society.

Whilst the remaining restricted funds have been awarded for the provision of community projects, promoting the benefits of music and song to a wider audience.

24 Related party transactions

During the year the charity made the following related party transactions:

Mrs J Newall

(A trustee of the charity)

At the balance sheet date the amount due to/from to Mrs J Newall was £Nil (2022 - £242).

DORSET RURAL MUSIC SCHOOL, LIMITED

England & Wales - Charity number 306231

Accounts

Company registration number: 00751458

Charity registration number: 306231

Dorset Rural Music School Limited

known as

Dorset Rural Music School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

Harney & Co Limited
Registered Auditor and Chartered Certified Accountant
21 Market Place
Blandford Forum
Dorset
DT11 7AF

Dorset Rural Music School Limited
known as Dorset Rural Music School

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 to 22

Dorset Rural Music School Limited
known as Dorset Rural Music School

Reference and Administrative Details

Trustees	Mrs J Newall, Chairman Mr J H C Privett, Treasurer Miss A Ecclestone Mr J Goodman Mr M W Warren Dr R C Hall E R Bray Miss L J Martin
Senior Management / Leadership Team	Ms E Marsden, Musical Director
Charity Registration Number	306231
Company Registration Number	00751458
Registered Office	The charity is incorporated in England and Wales. The Music School The Close Blandford Forum Dorset DT11 7HA
Independent Examiner	Harney & Co Limited Registered Auditor and Chartered Certified Accountant 21 Market Place Blandford Forum Dorset DT11 7AF

Dorset Rural Music School Limited
known as Dorset Rural Music School

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 August 2022.

Objectives and activities

Objects and aims

The purposes of the Charity are:

- to provide an organisation for the teaching of music;
- to provide a music centre for students of all ages living in the villages and towns of Dorset, and
- to promote the study and practice of music, especially in its social and co-operative forms among such students.

We aim to promote and encourage musical education and facilities for students of all ages and abilities at our own premises, in local schools, colleges and venues.

Objectives, strategies and activities

The strategies employed to achieve the charity's aims and objectives are to:

- offer tuition in all standard instruments, singing and in the theory of music;
- to teach students at all levels and of all ages;
- to teach a wide variety of musical styles;
- to prepare candidates for exams or play for pleasure;
- to offer the use of a music library and shop, and
- to offer a range of musical instruments for short or long-term hire.

Fundraising disclosures

The School relies upon its income from tuition fees and other charges to cover its operating activities. In order to make this affordable and accessible to the community it has been the School's careful policy to reduce operating costs where at all possible.

Public benefit

In planning our activities for the year, the trustees endeavour to make accessible and encourage all within our community. We offer a standard package of lessons but these can be tailored to meet specific needs. Every student is offered a free half-hour 'taster' lesson.

The school has also diversified to provide musical appreciation classes, other sessions and concerts in several towns within Dorset as well as other musical events involving past and present students as well as others.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Trustees' Report

Achievements and performance

During the year the trustees have continued to provide musical education and there have been encouraging indications of a modest increase in demand from both schools, the young and adults. Other events undertaken have included music appreciation classes, concerts, singing and orchestral groups and other events with a view to raising funds and publicising the charity's activities. Additionally the Music School is a public examination centre for the Associated Board of the Royal Schools of Music (ABRSM), and also for Trinity College London (TCL).

A successful application resulted in a most welcome Dorset Business Resilience Grant which enabled the charity to employ the services of two experts in the field of business management and development and communications. Among other benefits this has enabled the development of contacts with other organisations and individuals and publicising the charity's offered benefits. Efforts continue to generate other sources of income and the charity benefits from a number of regular donors and supporters.

Financial review

Financially the year has seen the beginning of a period of recovery from the enforced restrictions of the previous two years. A significant deficit was not unexpected and urgent steps as mentioned elsewhere are being taken to reverse this position for the future.

Policy on reserves

The School retains modest reserves in order to cover the costs of any unplanned expenditure. The reserves are invested in COIF Charities Investment Funds with a total market value as at the balance sheet date of £22,743 (2021 £23,838). The school has unrestricted access to these funds and the annual income thereon is utilised for its charitable purposes.

Funds in deficit

The School had no reserves in deficit.

Plans for future periods

Aims and key objectives for future periods

The trustees propose to further publicise the charity's activities with a view to continuing to increase its local presence as a provider of musical education for all ages, including not only teaching but, in other activities such as musical appreciation classes, concerts and other fund raising events, singing and orchestral groups. As a public examination centre there is potential for an increase in the number of exam days which could provide a useful source of additional income.

Structure, governance and management

Nature of governing document

Dorset Rural Music School is a company limited by guarantee governed by its Memorandum and Articles of Association dated 26th February 1963. It is registered as a charity with the Charity Commission.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Trustees' Report

Recruitment and appointment of trustees

It is a requirement that the Board of Governors shall have full discretion as to the admission of any person wishing to become a trustee on the Board upon written request.

Induction and training of trustees

The existing Trustees ensure that new members are given sufficient training and gain enough knowledge to understand the nature of the charity to fully comply with its aims and objectives.

Arrangements for setting key management personnel remuneration

The key management to Dorset Rural Music School, other than the Trustees, are its Musical Director and Administrative Clerk, and their rates of pay are reviewed by the Trustees, whom themselves receive no remuneration.

Organisational structure

The Board of Governors, administers the charity and have appointed the Musical Director to be responsible for the day to day activities of the Charity and for managing the other staff. The Musical Director is also responsible for reporting to a smaller group of Trustees, a sub committee, primarily dealing with the financial affairs of the Charity, who meet on a regular basis.

Major risks and management of those risks

The main concern of the Charity is the noted diminution in demand for musical education particularly among the younger generation which seems to be part of a national pattern.

In order to counteract this trend the Charity continues to review ways in which its activities can be diversified to encourage a wider interest in the practice of music.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Trustees' Report

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Funds held as custodian trustee on behalf of others

The Charity administers a COIF Charities Investment Fund - Income Units at a market value of £2,771 (2021 £2,905) at the balance sheet date.

This fund is known as 'The Fanny Kindersley Trust' and upon her death Fanny Kindersley, who formed the Dorset Choral Association, left a legacy in order that a memorial trust could be formed and administered by the Dorset Choral Association. The income from that trust fund was to be accumulated and awarded in every third year to a promising musician resident in the County of Dorset for the purpose of assisting in his or her musical education or advancement. Since the demise of the Dorset Choral Association in 1976 the administration of this fund has passed to the Dorset Rural Music School.

The capital is invested in a separate fund entitled 'The Fanny Kindersley Trust' and is not reflected on the Balance Sheet as part of the School's Funds. However, the Trustees who administer this investment have voted the income thereon be donated to the Dorset Rural Music School in furtherance of its objectives.

Statement of trustees' responsibilities

The trustees (who are also the directors of Dorset Rural Music School Limited 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

Dorset Rural Music School Limited
known as Dorset Rural Music School


Trustees' Report

- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 12 April 2023 and signed on its behalf by:



.....
Mrs J Newall
Trustee

Dorset Rural Music School Limited
known as Dorset Rural Music School

**Independent Examiner's Report to the trustees of Dorset Rural Music School Limited
(‘the Company’)**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2022.

Responsibilities and basis of report

As the charity’s trustees of Dorset Rural Music School Limited (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (‘the 2006 Act’).


Having satisfied myself that the accounts of Dorset Rural Music School Limited are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity’s accounts as carried out under section 145 of the Charities Act 2011 (‘the 2011 Act’). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner’s statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Dorset Rural Music School Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a ‘true and fair view’ which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....
Mrs S A Harney
Registered Auditor and Chartered Certified Accountant

21 Market Place
Blandford Forum
Dorset
DT11 7AF

12 April 2023

Dorset Rural Music School Limited

known as Dorset Rural Music School

Statement of Financial Activities for the Year Ended 31 August 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	2022 £	2021 £
Income and Endowments from:					
Donations and legacies	3	7,542	32,250	39,792	30,585
Charitable activities	4	45,159	-	45,159	31,382
Other trading activities	5	5,770	-	5,770	4,929
Investment income	6	640	-	640	620
Other income	7	50	-	50	-
Total income		<u>59,161</u>	<u>32,250</u>	<u>91,411</u>	<u>67,516</u>
Expenditure on:					
Raising funds	8	(4,450)	-	(4,450)	(4,675)
Charitable activities	9	<u>(75,482)</u>	<u>(23,311)</u>	<u>(98,793)</u>	<u>(58,254)</u>
Total expenditure		(79,932)	(23,311)	(103,243)	(62,929)
Gains/losses on investment assets		<u>(1,095)</u>	-	<u>(1,095)</u>	<u>3,587</u>
Net (expenditure)/income		<u>(21,866)</u>	<u>8,939</u>	<u>(12,927)</u>	<u>8,174</u>
Net movement in funds		(21,866)	8,939	(12,927)	8,174
Reconciliation of funds					
Total funds brought forward		<u>47,709</u>	-	<u>47,709</u>	<u>39,535</u>
Total funds carried forward	23	<u>25,843</u>	<u>8,939</u>	<u>34,782</u>	<u>47,709</u>

All of the charity's activities derive from continuing operations during the above two periods.

A summary of income, expenditure and other recognised gains/losses is shown in note 23.

The notes on pages 10 to 22 form an integral part of these financial statements.

Dorset Rural Music School Limited
known as Dorset Rural Music School
(Registration number: 00751458)
Balance Sheet as at 31 August 2022


	Note	2022 £	2021 £
Fixed assets			
Tangible assets	17	13,183	13,011
Investments	18	22,743	23,838
		35,926	36,849
Current assets			
Stocks	19	6,345	6,454
Debtors	20	7,181	2,826
Cash at bank and in hand	21	5,280	16,822
		18,806	26,102
Creditors: Amounts falling due within one year	22	(19,950)	(15,242)
Net current (liabilities)/assets		(1,144)	10,860
Net assets		34,782	47,709
Funds of the charity:			
Restricted income funds			
Restricted funds		8,939	-
Unrestricted income funds			
Unrestricted funds		25,843	47,709
Total funds	23	34,782	47,709

For the financial year ending 31 August 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 8 to 22 were approved by the trustees, and authorised for issue on 12 April 2023 and signed on their behalf by:



 Mr J H C Privett
 Trustee

The notes on pages 10 to 22 form an integral part of these financial statements.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Dorset Rural Music School Limited 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 notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

Taxation

The charity 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 charity 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.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, and thereafter cost less any subsequent depreciation and/or impairment.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	0%
Music for library	0%
Musical instruments	10% reducing balance
Fixtures and fittings	10% reducing balance
Office equipment	10% reducing balance

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from individuals	1,732	-	1,732
Gift aid reclaimed	769	-	769
Grants, including capital grants;			
Government grants	2,667	29,500	32,167
Grants from other charities	-	2,750	2,750
Donations from community groups	78	-	78
Regular giving and capital donations	<u>2,296</u>	<u>-</u>	<u>2,296</u>
Total for 2022	<u>7,542</u>	<u>32,250</u>	<u>39,792</u>
Total for 2021	<u>30,585</u>	<u>-</u>	<u>30,585</u>

4 Income from charitable activities

	Unrestricted funds General £	Total funds £
The study and practice of music	<u>45,159</u>	<u>45,159</u>
Total for 2022	<u>45,159</u>	<u>45,159</u>
Total for 2021	<u>31,382</u>	<u>31,382</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

5 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income;		
Sales of goods and services	5,518	5,518
Events income;		
Other events income	252	252
Total for 2022	<u>5,770</u>	<u>5,770</u>
Total for 2021	<u>4,929</u>	<u>4,929</u>

6 Investment income

	Unrestricted funds General £	Total funds £
Other income from fixed asset investments	640	640
Total for 2022	<u>640</u>	<u>640</u>
Total for 2021	<u>620</u>	<u>620</u>

7 Other income

	Unrestricted funds General £	Total funds £
Fees and supplies	50	50
Total for 2022	<u>50</u>	<u>50</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

8 Expenditure on raising funds

a) Costs of trading activities

	Note	Unrestricted funds General £	Total funds £
Costs of goods sold		4,425	4,425
Events and conferences		25	25
Total for 2022		<u>4,450</u>	<u>4,450</u>
Total for 2021		<u>4,675</u>	<u>4,675</u>

9 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
The study and practice of music		37,877	-	37,877
Depreciation, amortisation and other similar costs		719	-	719
Staff costs		28,901	-	28,901
Allocated support costs	10	3,952	23,311	27,263
Governance costs	10	4,033	-	4,033
Total for 2022		<u>75,482</u>	<u>23,311</u>	<u>98,793</u>
Total for 2021		<u>58,254</u>	<u>-</u>	<u>58,254</u>

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

10 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Staff welfare costs	14	-	14
Repairs and renewals	89	-	89
Telephone and internet	2,051	-	2,051
Computer software and maintenance costs	423	2,151	2,574
Printing, postage and stationery	225	-	225
Cleaning	945	-	945
Consultancy	-	21,160	21,160
Bank Charges	205	-	205
	<u>3,952</u>	<u>23,311</u>	<u>27,263</u>

	Unrestricted funds General £	Total 2021 £
Staff welfare costs	117	117
Repairs and renewals	46	46
Telephone and internet	937	937
Computer software and maintenance costs	487	487
Printing, postage and stationery	84	84
Cleaning	1,168	1,168
Bank Charges	143	143
	<u>2,982</u>	<u>2,982</u>

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	4,020	4,020
Other governance costs	13	13
Total for 2022	<u>4,033</u>	<u>4,033</u>
Total for 2021	<u>3,506</u>	<u>3,506</u>

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

11 Government grants

The charity has been in receipt of two Dorset Council Grants during the year, a Hospitality Grant and a Business Recovery Grant. In 2021 the charity received the Government Job Retention Scheme Grant. The amount of grants recognised in the financial statements was £32,167 (2021 - £21,848).

12 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2022 £	2021 £
Depreciation of fixed assets	<u>719</u>	<u>700</u>

13 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

14 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	<u>28,901</u>	<u>32,619</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Musical director	1	1
Office administrator	1	1
Music teachers	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

No employee received emoluments of more than £60,000 during the year.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

15 Independent examiner's remuneration

	2022 £	2021 £
Examination of the financial statements	<u>4,020</u>	<u>3,293</u>

16 Taxation

The charity is a registered charity and is therefore exempt from taxation.

17 Tangible fixed assets

	Land and buildings £	Instruments and equipment £	Total £
Cost			
At 1 September 2021	5,563	34,461	40,024
Additions	<u>-</u>	<u>891</u>	<u>891</u>
At 31 August 2022	<u>5,563</u>	<u>35,352</u>	<u>40,915</u>
Depreciation			
At 1 September 2021	-	27,013	27,013
Charge for the year	<u>-</u>	<u>719</u>	<u>719</u>
At 31 August 2022	<u>-</u>	<u>27,732</u>	<u>27,732</u>
Net book value			
At 31 August 2022	<u>5,563</u>	<u>7,620</u>	<u>13,183</u>
At 31 August 2021	<u>5,563</u>	<u>7,448</u>	<u>13,011</u>

18 Fixed asset investments

	2022 £	2021 £
Unlisted investments	<u>22,743</u>	<u>23,838</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

	Total	£
Cost or Valuation		
At 1 September 2021	23,838	
Revaluation	<u>(1,095)</u>	
At 31 August 2022	<u>22,743</u>	
Net book value		
At 31 August 2022	<u>22,743</u>	
At 31 August 2021	<u>23,838</u>	

19 Stock

	2022	2021
	£	£
Stocks	<u>6,345</u>	<u>6,454</u>

20 Debtors

	2022	2021
	£	£
Trade debtors	2,194	1,153
Prepayments	1,167	805
Other debtors	<u>3,820</u>	<u>868</u>
	<u>7,181</u>	<u>2,826</u>

21 Cash and cash equivalents

	2022	2021
	£	£
Cash on hand	2	12
Cash at bank	<u>5,278</u>	<u>16,810</u>
	<u>5,280</u>	<u>16,822</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

22 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	7	-
Other loans	12,000	12,000
Trustees current accounts	242	242
Other creditors	3,661	-
Accruals	4,040	3,000
	<u>19,950</u>	<u>15,242</u>

Other loans

Other loans comprise an interest free loan amounting to £12,000 from Dr R Hall to the School in furtherance of its charitable activities. The loan is repayable on demand. Dr R Hall was employed as Musical Director until his retirement from this position in December 2021 when he was appointed a Trustee of the Charity.

23 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2022 £
Unrestricted funds					
<i>General</i>					
General Funds	47,709	59,161	(79,932)	(1,095)	25,843
Restricted funds					
Business Resilience Fund	-	29,500	(23,311)	-	6,189
D'Oyly Carte Fund	-	2,750	-	-	2,750
	<u>-</u>	<u>32,250</u>	<u>(23,311)</u>	<u>-</u>	<u>8,939</u>
Total funds	<u>47,709</u>	<u>91,411</u>	<u>(103,243)</u>	<u>(1,095)</u>	<u>34,782</u>
	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2021 £
Unrestricted funds					
General	<u>39,535</u>	<u>67,516</u>	<u>(62,929)</u>	<u>3,587</u>	<u>47,709</u>

The general fund of the charity includes the sum of £9,196 (2021 £10,291) in respect of the revaluation of investments.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2022

The specific purposes for which the funds are to be applied are as follows:

Restricted Funds

The Business Resilience Fund received from Dorset Council has enabled the charity to actively seek professional advice and implement new strategies to promote and move the school forward in our ever changing society.

The D'Oyly Carte Fund has been provided to enable the charity to deliver a Rural Village Schools Choir Project to be delivered in the Autumn of 2023.

24 Related party transactions

During the year the charity made the following related party transactions:





Mrs J Newall

(A trustee of the charity)

At the balance sheet date the amount due to Mrs J Newall was £242 (2021 - £242).

Title	D03/AT Accounts 31.08.23
File name	D03 Accounts 31.08.22.pdf
Document ID	58b192c5029457fef77a43d56f524a5ef21e4b65
Audit trail date format	DD / MM / YYYY
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DORSET RURAL MUSIC SCHOOL, LIMITED

England & Wales - Charity number 306231

Accounts

Company registration number: 00751458

Charity registration number: 306231

Dorset Rural Music School Limited

known as

Dorset Rural Music School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Harney & Co Limited
Registered Auditor and Chartered Certified Accountant
21 Market Place
Blandford Forum
Dorset
DT11 7AF

Dorset Rural Music School Limited
known as Dorset Rural Music School

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8 to 9
Notes to the Financial Statements	10 to 22

Dorset Rural Music School Limited
known as Dorset Rural Music School

Reference and Administrative Details

Trustees	Mrs J Newall, Chairman Mr J H C Privett, Treasurer Miss A Ecclestone Mr R Ely Mr R M Goodbody, (resigned 7 June 2021) Mr J Goodman, (appointed 7 June 2021) Mr F D Hallatt Mrs J J Soole Mr M W Warren
Secretary	Mr R M Goodbody, (resigned 7 June 2021)
Senior Management / Leadership Team	Ms E Marsden, Musical Director Miss L J Martin, Administrative Clerk
Charity Registration Number	306231
Company Registration Number	00751458
Registered Office	The charity is incorporated in England and Wales. The Music School The Close Blandford Forum Dorset DT11 7HA
Independent Examiner	Harney & Co Limited Registered Auditor and Chartered Certified Accountant 21 Market Place Blandford Forum Dorset DT11 7AF

Dorset Rural Music School Limited
known as Dorset Rural Music School

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 August 2021.

Objectives and activities

Objects and aims

The purposes of the Charity are:

- to provide an organisation for the teaching of music;
- to provide a music centre for students of all ages living in the villages and towns of Dorset, and
- to promote the study and practice of music, especially in its social and co-operative forms among such students.

We aim to promote and encourage musical education and facilities for students of all ages and abilities at our own premises, in local schools, colleges and venues.

Objectives, strategies and activities

The strategies employed to achieve the charity's aims and objectives are to:

- offer tuition in all standard instruments, singing and in the theory of music;
- to teach students at all levels and of all ages;
- to teach a wide variety of musical styles;
- to prepare candidates for exams or play for pleasure;
- to offer the use of a music library and shop, and
- to offer a range of musical instruments for short or long-term hire.

Fundraising disclosures

The School relies upon its income from tuition fees and other charges to cover its operating activities. In order to make this affordable and accessible to the community it has been the School's careful policy to reduce operating costs where at all possible.

Public benefit

In planning our activities for the year, the trustees endeavour to make accessible and encourage all within our community. We offer a standard package of lessons but these can be tailored to meet specific needs. Every student is offered a free half-hour 'taster' lesson.

The school has also diversified to provide musical appreciation classes, other sessions and concerts in several towns within Dorset as well as other musical events involving past and present students as well as others.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

This year, not unlike the previous one, was dominated by the national restrictions imposed by the Covid-19 pandemic. Although some teaching in schools was possible, obligatory closures resulted in a serious diminution of normal activities. Towards the end of the financial year the trustees' minds were turned towards the need in replacing both its full time employees the Musical Director and Office Manager, due to their retirement.

Dorset Rural Music School Limited
known as Dorset Rural Music School
Trustees' Report

Financial review

The year's financial results have reflected the reduced activities due to the pandemic. However, with the assistance of the Government's Job Retention Scheme a modest surplus resulted at the end of the year. Both total income and expenditure were substantially reduced from the previous years levels.

Policy on reserves

The School retains modest reserves in order to cover the costs of any unplanned expenditure. The reserves are invested in COIF Charities Investment Funds with a total market value as at the balance sheet date of £23,838 (2020 £20,251). The school has unrestricted access to these funds and the annual income thereon is utilised for its charitable purposes.

Funds in deficit

The School had no reserves in deficit.

Plans for future periods

Aims and key objectives for future periods

The restrictions on the charity's activities which have been the over-riding feature of the last year having now largely come to an end, the trustees look forward to the resumption of the whole range of the charity's activities, together with new initiatives. Much recent re-furbishment and many improvements to the charity's premises will ensure that the best possible use can be made of the charity's teaching and performance facilities.

Structure, governance and management

Nature of governing document

Dorset Rural Music School is a company limited by guarantee governed by its Memorandum and Articles of Association dated 26th February 1963. It is registered as a charity with the Charity Commission.

Recruitment and appointment of trustees

It is a requirement that the Board of Governors shall have full discretion as to the admission of any person wishing to become a trustee on the Board upon written request.

Induction and training of trustees

The existing Trustees ensure that new members are given sufficient training and gain enough knowledge to understand the nature of the charity to fully comply with its aims and objectives.

Arrangements for setting key management personnel remuneration

The key management to Dorset Rural Music School, other than the Trustees, are its Musical Director and Administrative Clerk, and their rates of pay are reviewed by the Trustees, whom themselves receive no remuneration.

Dorset Rural Music School Limited
known as Dorset Rural Music School
Trustees' Report

Organisational structure

The Board of Governors, administers the charity and have appointed the Musical Director to be responsible for the day to day activities of the Charity and for managing the other staff. The Musical Director is also responsible for reporting to a smaller group of Trustees, a sub committee, primarily dealing with the financial affairs of the Charity, who meet on a regular basis.

Major risks and management of those risks

The main concern of the Charity is the noted diminution in demand for musical education particularly among the younger generation which seems to be part of a national pattern.

In order to counteract this trend the Charity continues to review ways in which its activities can be diversified to encourage a wider interest in the practice of music.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Funds held as custodian trustee on behalf of others

The Charity administers a COIF Charities Investment Fund - Income Units at a market value of £2,905 (2020 £2,468) at the balance sheet date.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Trustees' Report

This fund is known as 'The Fanny Kindersley Trust' and upon her death Fanny Kindersley, who formed the Dorset Choral Association, left a legacy in order that a memorial trust could be formed and administered by the Dorset Choral Association. The income from that trust fund was to be accumulated and awarded in every third year to a promising musician resident in the County of Dorset for the purpose of assisting in his or her musical education or advancement. Since the demise of the Dorset Choral Association in 1976 the administration of this fund has passed to the Dorset Rural Music School.

The capital is invested in a separate fund entitled 'The Fanny Kindersley Trust' and is not reflected on the Balance Sheet as part of the School's Funds. However, the Trustees who administer this investment have voted the income thereon be donated to the Dorset Rural Music School in furtherance of its objectives.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Dorset Rural Music School Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

The annual report was approved by the trustees of the charity on 29 April 2022 and signed on its behalf by:



.....
Mrs J Newall
Trustee

Dorset Rural Music School Limited
known as Dorset Rural Music School

Independent Examiner's Report to the trustees of Dorset Rural Music School Limited
("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2021.

Responsibilities and basis of report

As the charity's trustees of Dorset Rural Music School Limited (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Dorset Rural Music School Limited are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Dorset Rural Music School Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

S A Harney

.....
Mrs S A Harney
Registered Auditor and Chartered Certified Accountant

21 Market Place
Blandford Forum
Dorset
DT11 7AF

29 April 2022

Dorset Rural Music School Limited

known as Dorset Rural Music School

Statement of Financial Activities for the Year Ended 31 August 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	2021 £	2020 £
Income and Endowments from:				
Donations and legacies	3	30,585	30,585	22,904
Charitable activities	4	31,382	31,382	44,480
Other trading activities	5	4,929	4,929	10,361
Investment income	6	620	620	608
Total income		<u>67,516</u>	<u>67,516</u>	<u>78,353</u>
Expenditure on:				
Raising funds	7	(4,675)	(4,675)	(6,992)
Charitable activities	8	<u>(58,254)</u>	<u>(58,254)</u>	<u>(72,558)</u>
Total expenditure		(62,929)	(62,929)	(79,550)
Gains/losses on investment assets		<u>3,587</u>	<u>3,587</u>	<u>394</u>
Net income/(expenditure)		<u>8,174</u>	<u>8,174</u>	<u>(803)</u>
Net movement in funds		8,174	8,174	(803)
Reconciliation of funds				
Total funds brought forward		<u>39,535</u>	<u>39,535</u>	<u>40,338</u>
Total funds carried forward	22	<u><u>47,709</u></u>	<u><u>47,709</u></u>	<u><u>39,535</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

A summary of income, expenditure and other recognised gains/losses is shown in note 22.

The notes on pages 10 to 22 form an integral part of these financial statements.

Dorset Rural Music School Limited
known as Dorset Rural Music School
(Registration number: 00751458)
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	16	13,011	13,710
Investments	17	<u>23,838</u>	<u>20,251</u>
		<u>36,849</u>	<u>33,961</u>
Current assets			
Stocks	18	6,454	7,774
Debtors	19	2,826	5,447
Cash at bank and in hand	20	<u>16,822</u>	<u>12,983</u>
		26,102	26,204
Creditors: Amounts falling due within one year	21	<u>(15,242)</u>	<u>(20,630)</u>
Net current assets		<u>10,860</u>	<u>5,574</u>
Net assets		<u>47,709</u>	<u>39,535</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>47,709</u>	<u>39,535</u>
Total funds	22	<u>47,709</u>	<u>39,535</u>

For the financial year ending 31 August 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:


- The trustees have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The notes on pages 10 to 22 form an integral part of these financial statements.

Dorset Rural Music School Limited
known as Dorset Rural Music School
(Registration number: 00751458)
Balance Sheet as at 31 August 2021

The financial statements on pages 7 to 22 were approved by the trustees, and authorised for issue on 29 April 2022 and signed on their behalf by:


.....
Mr J H C Privett
Trustee

The notes on pages 10 to 22 form an integral part of these financial statements.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Dorset Rural Music School Limited 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 notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity 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 charity 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.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

Tangible fixed assets

Individual fixed assets are initially recorded at cost, and thereafter cost less any subsequent depreciation and/or impairment.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	0%
Music for library	0%
Musical instruments	10% reducing balance
Fixtures and fittings	10% reducing balance
Office equipment	10% reducing balance

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

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

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies;		
Donations from individuals	5,681	5,681
Gift aid reclaimed	125	125
Grants, including capital grants;		
Government grants	21,848	21,848
Donations from community groups	76	76
Regular giving and capital donations	<u>2,855</u>	<u>2,855</u>
Total for 2021	<u><u>30,585</u></u>	<u><u>30,585</u></u>
Total for 2020	<u><u>22,904</u></u>	<u><u>22,904</u></u>

4 Income from charitable activities

	Unrestricted funds General £	Total funds £
The study and practice of music	<u>31,382</u>	<u>31,382</u>
Total for 2021	<u><u>31,382</u></u>	<u><u>31,382</u></u>
Total for 2020	<u><u>44,480</u></u>	<u><u>44,480</u></u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

5 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income; Sales of goods and services	4,929	4,929
Total for 2021	<u>4,929</u>	<u>4,929</u>
Total for 2020	<u>10,361</u>	<u>10,361</u>

6 Investment income

	Unrestricted funds General £	Total funds £
Other income from fixed asset investments	620	620
Total for 2021	<u>620</u>	<u>620</u>
Total for 2020	<u>608</u>	<u>608</u>

7 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds General £	Total funds £
Costs of goods sold	4,675	4,675
Total for 2021	<u>4,675</u>	<u>4,675</u>
Total for 2020	<u>6,992</u>	<u>6,992</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

8 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
The study and practice of music		18,447	-	18,447
Depreciation, amortisation and other similar costs		700	-	700
Staff costs		32,619	-	32,619
Allocated support costs	9	2,982	-	2,982
Governance costs	9	3,506	-	3,506
Total for 2021		<u>58,254</u>	<u>-</u>	<u>58,254</u>
Total for 2020		<u>72,329</u>	<u>229</u>	<u>72,558</u>

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

9 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds General £	Total 2021 £
Staff welfare costs	117	117
Repairs and renewals	46	46
Telephone and internet	937	937
Computer software and maintenance costs	487	487
Printing, postage and stationery	84	84
Cleaning	1,168	1,168
Bank charges	143	143
	<u>2,982</u>	<u>2,982</u>

	Unrestricted funds General £	Total 2020 £
Staff welfare costs	125	125
Repairs and renewals	121	121
Telephone and internet	1,659	1,659
Computer software and maintenance costs	810	810
Printing, postage and stationery	237	237
Cleaning	1,810	1,810
Bank charges	158	158
	<u>4,920</u>	<u>4,920</u>

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	3,293	3,293
Other governance costs	213	213
Total for 2021	<u>3,506</u>	<u>3,506</u>
Total for 2020	<u>3,158</u>	<u>3,158</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

10 Government grants

Job Retention Scheme

The amount of grants recognised in the financial statements was £21,848 (2020 - £15,415).

11 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2021	2020
	£	£
Loss on disposal of fixed assets held for the charity's own use	-	152
Depreciation of fixed assets	700	777
	700	777

12 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

13 Staff costs

The aggregate payroll costs were as follows:

	2021	2020
	£	£
Staff costs during the year were:		
Wages and salaries	32,619	40,970
	32,619	40,970

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021	2020
	No	No
Musical director	1	1
Senior manager	1	1
Music teachers	1	2
	3	4

No employee received emoluments of more than £60,000 during the year.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

14 Independent examiner's remuneration

	2021 £	2020 £
Examination of the financial statements	<u>3,293</u>	<u>3,060</u>

15 Taxation

The charity is a registered charity and is therefore exempt from taxation.

16 Tangible fixed assets

	Land and buildings £	Instruments and equipment £	Total £
Cost			
At 1 September 2020	<u>5,563</u>	<u>34,461</u>	<u>40,024</u>
At 31 August 2021	<u>5,563</u>	<u>34,461</u>	<u>40,024</u>
Depreciation			
At 1 September 2020	-	26,314	26,314
Charge for the year	-	699	699
At 31 August 2021	<u>-</u>	<u>27,013</u>	<u>27,013</u>
Net book value			
At 31 August 2021	<u>5,563</u>	<u>7,448</u>	<u>13,011</u>
At 31 August 2020	<u>5,563</u>	<u>8,147</u>	<u>13,710</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Fixed asset investments

	2021	2020
	£	£
Unlisted investments	<u>23,838</u>	<u>20,251</u>
		Total
		£
Cost or Valuation		
At 1 September 2020		20,251
Revaluation		<u>3,587</u>
At 31 August 2021		<u>23,838</u>
Net book value		
At 31 August 2021		<u>23,838</u>
At 31 August 2020		<u>20,251</u>

18 Stock

	2021	2020
	£	£
Stocks	<u>6,454</u>	<u>7,774</u>

19 Debtors

	2021	2020
	£	£
Trade debtors	1,153	4,048
Prepayments	805	1,199
Other debtors	<u>868</u>	<u>200</u>
	<u>2,826</u>	<u>5,447</u>

20 Cash and cash equivalents

	2021	2020
	£	£
Cash on hand	12	138
Cash at bank	<u>16,810</u>	<u>12,845</u>
	<u>16,822</u>	<u>12,983</u>

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

21 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	1,557
Other loans	12,000	12,000
Other taxation and social security	-	1,814
Trustees current accounts	242	759
Accruals	3,000	4,500
	<u>15,242</u>	<u>20,630</u>

Other loans

Other loans comprise an interest free loan amounting to £12,000 from Dr R Hall (who was employed as Musical Director of the Charity until his retirement on 31 December 2021) to the School in furtherance of its charitable activities. The loan is repayable on demand.

22 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2021 £
Unrestricted funds					
General	<u>39,535</u>	<u>67,516</u>	<u>(62,929)</u>	<u>3,587</u>	<u>47,709</u>

The general fund of the charity includes the sum of £10,291 (2020 £6,704) in respect of the revaluation of investments.

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General	40,109	78,353	(79,321)	394	39,535
Restricted funds	<u>229</u>	<u>-</u>	<u>(229)</u>	<u>-</u>	<u>-</u>
Total funds	<u>40,338</u>	<u>78,353</u>	<u>(79,550)</u>	<u>394</u>	<u>39,535</u>

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2021

23 Related party transactions

During the year the charity made the following related party transactions:

Mrs J Newall

(A trustee of the charity)

Was reimbursed £517 reducing the amount owed to her, for costs incurred at arms length during the year to 31 August 2020. At the balance sheet date the amount due to Mrs J Newall was £242 (2020 - £759).

DORSET RURAL MUSIC SCHOOL, LIMITED

England & Wales - Charity number 306231

Accounts

Company registration number: 00751458

Charity registration number: 306231

Dorset Rural Music School Limited

known as

Dorset Rural Music School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Harney & Co Limited
Registered Auditor and Chartered Certified Accountant
21 Market Place
Blandford Forum
Dorset
DT11 7AF

Dorset Rural Music School Limited
known as Dorset Rural Music School

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 5
Statement of Trustees' Responsibilities	6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9 to 10
Notes to the Financial Statements	11 to 23

Dorset Rural Music School Limited
known as Dorset Rural Music School

Reference and Administrative Details

Trustees	Mrs J Newall, Chairman Mr J H C Privett, Treasurer Miss A Ecclestone Mr R M Goodbody Mr R Ely Mr F D Hallatt Mrs J J Soole Mr M W Warren
Secretary	Mr R M Goodbody
Senior Management Team	Dr R Hall BA Phd, Musical director Mr B Levy, Senior manager
Principal Office	The Music School The Close Blandford Forum Dorset DT11 7HA The charity is incorporated in England and Wales.
Company Registration Number	00751458
Charity Registration Number	306231
Independent Examiner	Harney & Co Limited Registered Auditor and Chartered Certified Accountant 21 Market Place Blandford Forum Dorset DT11 7AF

Dorset Rural Music School Limited
known as Dorset Rural Music School

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 August 2020.

Objectives and activities

Objects and aims

The purposes of the Charity are:

- to provide an organisation for the teaching of music;
- to provide a music centre for students of all ages living in the villages and towns of Dorset, and
- to promote the study and practice of music, especially in its social and co-operative forms among such students.

We aim to promote and encourage musical education and facilities for students of all ages and abilities at our own premises, in local schools, colleges and venues.

Objectives, strategies and activities

The strategies employed to achieve the charity's aims and objectives are to:

- offer tuition in all standard instruments, singing and in the theory of music;
- to teach students at all levels and of all ages;
- to teach a wide variety of musical styles;
- to prepare candidates for exams or play for pleasure;
- to offer the use of a music library and shop, and
- to offer a range of musical instruments for short or long-term hire.

Fundraising disclosures

The School relies upon its income from tuition fees and other charges to cover its operating activities. In order to make this affordable and accessible to the community it has been the School's careful policy to reduce operating costs where at all possible.

Public benefit

In planning our activities for the year, the trustees endeavour to make accessible and encourage all within our community. We offer a standard package of lessons but these can be tailored to meet specific needs. Every student is offered a free half-hour 'taster' lesson.

The school has also diversified to provide musical appreciation classes, other sessions and concerts in several towns within Dorset as well as other musical events involving past and present students as well as others.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Dorset Rural Music School Limited
known as Dorset Rural Music School
Trustees' Report

Achievements and performance

Subject as mentioned below, during the year the School has continued to provide musical education and, there have been encouraging indications of a modest increase in demand from both schools and adults. Other events undertaken have included music appreciation classes, concerts, singing and orchestral groups and other events with a view to raising funds and publicising the charity's activities. Additionally the Music School is a public examination centre for the Associated Board of the Royal Schools of Music (ABRSM), and also for Trinity College London (TCL). There is potential for an increase in the number of exam days which provide a useful source of additional income.

Financial review

The year has unfortunately been dominated by the need to close the School completely due to the Coronavirus pandemic. Apart from a short period this effectively put an end to almost all teaching from the beginning of April onwards. However, a modest amount of online teaching proved to be possible which provided useful income and helped to maintain continuity for those able to be involved.

The financial results have inevitably reflected this although, advantage was taken of the various Government support schemes including furlough arrangement for staff and a welcome discretionary grant from the Dorset Council. Inevitably the overall financial result showed a deficit which it is hoped can be reversed when normal teaching can be resumed.

Closure did however facilitate the completion of a number of refurbishments and improvements to the School's premises, made possible by the very generous gift during the previous year.

Policy on reserves

The School retains modest reserves in order to cover the costs of any unplanned expenditure. The reserves are invested in COIF Charities Investment Funds with a total market value as at the balance sheet date of £20,297 (2019 £19,857). The school has unrestricted access to these funds and the annual income thereon is utilised for its charitable purposes.

Funds in deficit

The School had no reserves in deficit.

Plans for future periods

Aims and key objectives for future periods

The trustees look forward to the time when the School can reopen for its normal teaching and other activities which continue to be severely restricted due to the pandemic. Publicising all the School's functions, including not only teaching but, other activities such as musical appreciation classes, concerts and other fund raising events, singing and orchestral groups will be important to regain and improve former levels of support.

Structure, governance and management

Nature of governing document

Dorset Rural Music School is a company limited by guarantee governed by its Memorandum and Articles of Association dated 26th February 1963. It is registered as a charity with the Charity Commission.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Trustees' Report

Recruitment and appointment of trustees

It is a requirement that the Board of Governors shall have full discretion as to the admission of any person wishing to become a trustee on the Board upon written request.

Induction and training of trustees

The existing Trustees ensure that new members are given sufficient training and gain enough knowledge to understand the nature of the charity to fully comply with its aims and objectives.

Arrangements for setting key management personnel remuneration

The key management to Dorset Rural Music School, other than the Trustees, are its Musical Director Dr Richard Hall, BA PhD assisted by Senior Manager Mr Brian Levy, and their rates of pay are reviewed by the Trustees, whom themselves receive no remuneration.

Organisational structure

The Board of Governors, administers the charity and have appointed the Musical Director to be responsible for the day to day activities of the Charity and for managing the other full and part time staff. He is also responsible for reporting to a smaller group of Trustees, a sub committee, primarily dealing with the financial affairs of the Charity, who meet on a regular basis.

Major risks and management of those risks

The main concern of the Charity is the noted diminution in demand for musical education particularly among the younger generation which seems to be part of a national pattern.

In order to counteract this trend the Charity continues to review ways in which its activities can be diversified to encourage a wider interest in the practice of music.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Dorset Rural Music School Limited
known as Dorset Rural Music School

Trustees' Report

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Funds held as custodian trustee on behalf of others

The Charity administers a COIF Charities Investment Fund - Income Units at a market value of £2,468 (2019 £2,420) at the balance sheet date.

This fund is known as 'The Fanny Kindersley Trust' and upon her death Fanny Kindersley, who formed the Dorset Choral Association, left a legacy in order that a memorial trust could be formed and administered by the Dorset Choral Association. The income from that trust fund was to be accumulated and awarded in every third year to a promising musician resident in the County of Dorset for the purpose of assisting in his or her musical education or advancement. Since the demise of the Dorset Choral Association in 1976 the administration of this fund has passed to the Dorset Rural Music School.

The capital is invested in a separate fund entitled 'The Fanny Kindersley Trust' and is not reflected on the Balance Sheet as part of the School's Funds. However, the Trustees who administer this investment have voted the income thereon be donated to the Dorset Rural Music School in furtherance of its objectives.

The annual report was approved by the trustees of the charity on 10 March 2021 and signed on its behalf by:



.....
Mrs J Newall
Trustee

Dorset Rural Music School Limited

known as Dorset Rural Music School

Statement of Trustees' Responsibilities


The trustees (who are also the directors of Dorset Rural Music School Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

Approved by the trustees of the charity on 10 March 2021 and signed on its behalf by:



.....
Mrs J Newall
Trustee

Dorset Rural Music School Limited

known as Dorset Rural Music School

Independent Examiner's Report to the trustees of Dorset Rural Music School Limited

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2020 which are set out on pages 8 to 23.

Respective responsibilities of trustees and examiner

As the charity's trustees of Dorset Rural Music School Limited (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Dorset Rural Music School Limited are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Dorset Rural Music School Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

S A Harney

.....
Mrs S A Harney
Registered Auditor and Chartered Certified Accountant

21 Market Place
Blandford Forum
Dorset
DT11 7AF

10 March 2021

Dorset Rural Music School Limited

known as Dorset Rural Music School

Statement of Financial Activities for the Year Ended 31 August 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	2020 £	2019 £
Income and Endowments from:					
Donations and legacies	3	22,904	-	22,904	43,511
Charitable activities	4	44,480	-	44,480	64,460
Other trading activities	5	10,361	-	10,361	16,541
Investment income	6	608	-	608	445
Other income	7	-	-	-	35
Total income		<u>78,353</u>	<u>-</u>	<u>78,353</u>	<u>124,992</u>
Expenditure on:					
Raising funds	8	(6,992)	-	(6,992)	(11,187)
Charitable activities	9	<u>(72,329)</u>	<u>(229)</u>	<u>(72,558)</u>	<u>(98,017)</u>
Total expenditure		(79,321)	(229)	(79,550)	(109,204)
Gains/losses on investment assets		<u>394</u>	<u>-</u>	<u>394</u>	<u>964</u>
Net (expenditure)/income		<u>(574)</u>	<u>(229)</u>	<u>(803)</u>	<u>16,752</u>
Net movement in funds		(574)	(229)	(803)	16,752
Reconciliation of funds					
Total funds brought forward		<u>40,109</u>	<u>229</u>	<u>40,338</u>	<u>23,586</u>
Total funds carried forward	22	<u><u>39,535</u></u>	<u><u>-</u></u>	<u><u>39,535</u></u>	<u><u>40,338</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

A summary of income, expenditure and other recognised gains/losses is shown in note 22.

The notes on pages 11 to 23 form an integral part of these financial statements.

Dorset Rural Music School Limited
known as Dorset Rural Music School
(Registration number: 00751458)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	13,710	9,678
Investments	17	<u>20,251</u>	<u>19,857</u>
		<u>33,961</u>	<u>29,535</u>
Current assets			
Stocks	18	7,774	7,301
Debtors	19	5,447	8,051
Cash at bank and in hand	20	<u>12,983</u>	<u>9,487</u>
		26,204	24,839
Creditors: Amounts falling due within one year	21	<u>(20,630)</u>	<u>(14,036)</u>
Net current assets		<u>5,574</u>	<u>10,803</u>
Net assets		<u>39,535</u>	<u>40,338</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		-	229
Unrestricted income funds			
Unrestricted funds		<u>39,535</u>	<u>40,109</u>
Total funds	22	<u>39,535</u>	<u>40,338</u>

For the financial year ending 31 August 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:


- The trustees have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The notes on pages 11 to 23 form an integral part of these financial statements.

Dorset Rural Music School Limited
known as Dorset Rural Music School
(Registration number: 00751458)
Balance Sheet as at 31 August 2020

The financial statements on pages 8 to 23 were approved by the trustees, and authorised for issue on 10 March 2021 and signed on their behalf by:


.....
Mr J H C Privett
Trustee

The notes on pages 11 to 23 form an integral part of these financial statements.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Dorset Rural Music School Limited 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 notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2020

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity 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 charity 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.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2020

Tangible fixed assets

Individual fixed assets are initially recorded at cost, and thereafter cost less any subsequent depreciation and/or impairment.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	0%
Music for library	0%
Musical instruments	10% reducing balance
Fixtures and fittings	10% reducing balance
Office equipment	10% reducing balance

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2020

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2020

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from individuals	245	-	245
Gift aid reclaimed	414	-	414
Grants, including capital grants;			
Government grants	15,415	-	15,415
Donations from community groups	4,112	-	4,112
Regular giving and capital donations	2,718	-	2,718
Total for 2020	22,904	-	22,904
Total for 2019	23,511	20,000	43,511

4 Income from charitable activities

	Unrestricted funds General £	Total funds £
Tuition fees	41,944	41,944
Instrument hire - pupils	91	91
Library hire	665	665
Exam fees	241	241
Hire of music centre	1,539	1,539
Total for 2020	44,480	44,480
Total for 2019	64,460	64,460

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2020

5 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income;		
Sales of goods and services	9,341	9,341
Events income;		
Other events income	1,020	1,020
Total for 2020	<u>10,361</u>	<u>10,361</u>
Total for 2019	<u>16,541</u>	<u>16,541</u>

6 Investment income

	Unrestricted funds General £	Total funds £
Other income from fixed asset investments	608	608
Total for 2020	<u>608</u>	<u>608</u>
Total for 2019	<u>445</u>	<u>445</u>

7 Other income

	Unrestricted funds General £	Total funds £
Total for 2019	<u>35</u>	<u>35</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2020

8 Expenditure on raising funds

a) Costs of trading activities

	Note	Unrestricted funds General £	Total funds £
Costs of goods sold		6,921	6,921
Events and conferences		71	71
Total for 2020		<u>6,992</u>	<u>6,992</u>
Total for 2019		<u>11,187</u>	<u>11,187</u>

9 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
The study and practice of music		22,352	229	22,581
Depreciation, amortisation and other similar costs		929	-	929
Staff costs		40,970	-	40,970
Allocated support costs	10	4,920	-	4,920
Governance costs	10	3,158	-	3,158
Total for 2020		<u>72,329</u>	<u>229</u>	<u>72,558</u>
Total for 2019		<u>78,246</u>	<u>19,771</u>	<u>98,017</u>

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2020

10 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds General £	Total 2020 £
Staff welfare costs	125	125
Repairs and renewals	121	121
Telephone and internet	1,659	1,659
Computer software and maintenance costs	810	810
Printing, postage and stationery	237	237
Cleaning	1,810	1,810
Bank charges	158	158
	4,920	4,920
	4,920	4,920

	Unrestricted funds General £	Total 2019 £
Staff welfare costs	281	281
Repairs and renewals	244	244
Telephone and internet	1,029	1,029
Computer software and maintenance costs	542	542
Printing, postage and stationery	270	270
Cleaning	1,780	1,780
Bank charges	259	259
	4,405	4,405
	4,405	4,405

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	3,060	3,060
Other governance costs	98	98
	3,158	3,158
Total for 2020	3,158	3,158
Total for 2019	1,993	1,993

Dorset Rural Music School Limited

known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2020

11 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2020 £	2019 £
Loss on disposal of fixed assets held for the charity's own use	152	-
Depreciation of fixed assets	777	329

12 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

13 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	40,970	43,653
Social security costs	-	127
Other staff costs	-	137
	<u>40,970</u>	<u>43,917</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2020 No	2019 No
Musical director	1	1
Senior manager	1	1
Music teachers	2	2
	<u>4</u>	<u>4</u>

No employee received emoluments of more than £60,000 during the year.

14 Independent examiner's remuneration

	2020 £	2019 £
Examination of the financial statements	3,060	1,920

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2020

15 Taxation

The charity is a registered charity and is therefore exempt from taxation.

16 Tangible fixed assets

	Land and buildings £	Instruments and equipment £	Total £
Cost			
At 1 September 2019	5,563	30,163	35,726
Additions	-	4,962	4,962
Disposals	-	(664)	(664)
At 31 August 2020	<u>5,563</u>	<u>34,461</u>	<u>40,024</u>
Depreciation			
At 1 September 2019	-	26,048	26,048
Charge for the year	-	778	778
Eliminated on disposals	-	(512)	(512)
At 31 August 2020	<u>-</u>	<u>26,314</u>	<u>26,314</u>
Net book value			
At 31 August 2020	<u>5,563</u>	<u>8,147</u>	<u>13,710</u>
At 31 August 2019	<u>5,563</u>	<u>4,115</u>	<u>9,678</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2020

17 Fixed asset investments

	2020	2019
	£	£
Unlisted investments	<u>20,251</u>	<u>19,857</u>
		Total
		£
Cost or Valuation		
At 1 September 2019		19,857
Revaluation		<u>394</u>
At 31 August 2020		<u>20,251</u>
Net book value		
At 31 August 2020		<u>20,251</u>
At 31 August 2019		<u>19,857</u>

18 Stock

	2020	2019
	£	£
Stocks	<u>7,774</u>	<u>7,301</u>

19 Debtors

	2020	2019
	£	£
Trade debtors	4,048	7,096
Prepayments	1,199	955
Other debtors	200	-
	<u>5,447</u>	<u>8,051</u>

20 Cash and cash equivalents

	2020	2019
	£	£
Cash on hand	138	47
Cash at bank	<u>12,845</u>	<u>9,440</u>
	<u>12,983</u>	<u>9,487</u>

Dorset Rural Music School Limited
known as Dorset Rural Music School

Notes to the Financial Statements for the Year Ended 31 August 2020

21 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,557	14
Other loans	12,000	12,000
Other taxation and social security	1,814	-
Trustees current accounts	759	-
Accruals	4,500	2,022
	<u>20,630</u>	<u>14,036</u>

Other loans

Other loans comprise an interest free loan amounting to £12,000 from Dr R Hall (employed by the charity as Musical Director) to the School in furtherance of its charitable activities. The loan is repayable on demand.

22 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General	40,109	78,353	(79,321)	394	39,535
Restricted funds	<u>229</u>	<u>-</u>	<u>(229)</u>	<u>-</u>	<u>-</u>
Total funds	<u>40,338</u>	<u>78,353</u>	<u>(79,550)</u>	<u>394</u>	<u>39,535</u>

The general fund of the charity includes the sum of £6,704 (2019 £6,310) in respect of the revaluation of investments.

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 August 2019 £
Unrestricted funds					
General	23,586	104,992	(89,433)	964	40,109
Restricted funds	<u>-</u>	<u>20,000</u>	<u>(19,771)</u>	<u>-</u>	<u>229</u>
Total funds	<u>23,586</u>	<u>124,992</u>	<u>(109,204)</u>	<u>964</u>	<u>40,338</u>

Dorset Rural Music School Limited**known as Dorset Rural Music School****Notes to the Financial Statements for the Year Ended 31 August 2020****23 Related party transactions**

During the year the charity made the following related party transactions:

Mrs J Newall

(A trustee of the charity)

Paid suppliers, on behalf of the charity, a total of £5,759, for general maintenance and improvements to the kitchen. These transactions took place at arms length. The charity has repaid Mrs J Newall £5,000. At the balance sheet date the amount due to Mrs J Newall was £759 (2019 - £Nil).