

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

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Dorset Rural Music School Limited
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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
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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
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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.

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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

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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

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**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
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(Registration number: 00751458)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	13,710	9,678
Investments	17	20,251	19,857
		<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	12,983	9,487
		26,204	24,839
Creditors: Amounts falling due within one year	21	(20,630)	(14,036)
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
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(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

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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

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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.

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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.

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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.

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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

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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>

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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		6,992	6,992
Total for 2019		11,187	11,187

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		72,329	229	72,558
Total for 2019		78,246	19,771	98,017

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
	<u>4,920</u>	<u>4,920</u>

	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
	<u>4,405</u>	<u>4,405</u>

Governance costs

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

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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	<u>777</u>	<u>329</u>

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	<u>-</u>	<u>137</u>
	<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	2019
	No	No
Musical director	1	1
Senior manager	1	1
Music teachers	<u>2</u>	<u>2</u>
	<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	<u>3,060</u>	<u>1,920</u>

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	20,251	19,857
		Total £
Cost or Valuation		
At 1 September 2019		19,857
Revaluation		394
At 31 August 2020		20,251
Net book value		
At 31 August 2020		20,251
At 31 August 2019		19,857

18 Stock

	2020 £	2019 £
Stocks	7,774	7,301

19 Debtors

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

20 Cash and cash equivalents

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

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).