

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

E d w a r d s & K e e p i n g

Chartered Accountants

DORSET RURAL MUSIC SCHOOL LIMITED
KNOWN AS DORSET RURAL MUSIC SCHOOL
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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

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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 preceeding 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

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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

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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

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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

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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

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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	135	135
Total for 2023	498	498

7 Expenditure on raising funds

a) Costs of trading activities

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

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		98,920	6,722	105,642
Total for 2023		88,268	3,090	91,358

DORSET RURAL MUSIC SCHOOL LIMITED

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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	1,256	240	1,496
Total for 2023	1,858	3,090	4,948

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	4,800	4,800
Total for 2023	6,900	6,900

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.

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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>

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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

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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

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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.

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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><u>34,782</u></u>	<u><u>58,040</u></u>	<u><u>(89,932)</u></u>	<u><u>(3,372)</u></u>	<u><u>(891)</u></u>	<u><u>(1,373)</u></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

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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).