

Registered number: 1673689
Charity number: 284555

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

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THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees

R Belshaw (appointed 22 September 2020)
C Bowring
A Butler (appointed 22 September 2020)
J Carroll (appointed 22 September 2020)
G Clark (resigned 13 December 2019)
P Gittings
D Harris (appointed 22 September 2020)
C Hyde
A Jackson
A Knight (appointed 15 December 2020)
J Manwaring (resigned 15 March 2021)
A Menzies (resigned 24 November 2020)
I Neill (resigned 13 December 2019)
A Pollard, Chairman (appointed 8 October 2019)
J Quinn
C Robinson
R Roscoe
M Rouco (appointed 22 September 2020)
G Sehringer, Chairman (resigned 24 November 2020)
C Wilson (resigned 23 June 2020)

R Belshaw, A Butler, J Carroll, D Harris, A Knight and M Rouco having been appointed during the year retire and seek re-election. The trustees who retire by rotation are: C Bowring, C Hyde and P Gittings; with C Hyde being eligible, offering herself for re-election.

Company registered number

1673689

Charity registered number

284555

Registered office

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

Chief executive officer

Dawn Wren

Independent auditor

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

Bankers

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

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

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

Solicitors

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

Actuaries

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

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The trustees, who are all directors of the company, present their annual report together with the audited financial statements for the year ended 31 August 2020. The trustees confirm that the accounts comply with the Companies Act 2006 and the Charities Act 2011, have been prepared in accordance with the revised Statement of Recommended Practice 'Accounting and Reporting by Charities' (FRS 102) 2019 and comply with the company's memorandum and articles of association, which is the charity's governing document.

The Berkshire Young Musicians Trust ("Berkshire Maestros") is a Registered Charitable Company limited by guarantee and incorporated as a company registered under the name The Berkshire Young Musicians Trust. On 25 August 1982 the Trust was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Executive summary

2019-2020 was a year of change and challenge; yet throughout Berkshire Maestros was able to deliver musical education, development and opportunities for young people.

At the start of the year in September 2019 we welcomed Dawn Wren as our new CEO and the first part of the year operated as "normal" with continued excellent engagement with schools (with take-up of Whole Class Ensemble Teaching and primary engagement ahead of the national average), strong numbers of pupils for instrumental and vocal tuition as well as in ensembles and growth in our Early Years offering.

The Covid-19 pandemic clearly has had a significant impact both operationally and financially on the organisation. However, thanks to the innovation and dedication of the staff, we were able to rapidly transition to an online offering, maintaining around 70% of pupils participating in lessons and continuing our ensembles, schools and early years work as well.

There has been a clear financial impact with income down 9% year on year. However immediate action was taken to reduce costs where possible including re-allocating teaching to contracted staff (rather than variable fees to self-employed), use of the initial furlough scheme and reducing overheads where possible.

Financial sustainability has been a key focus of the board of trustees, who have increased their meetings frequency to monthly during this time to maintain regular oversight of the financial situation and to support the CEO and leadership team. Since year end, we have been awarded two grants from the DCMS' Cultural Recovery fund, an initial one of £784k and a second one of £375k, which has allowed us to meet additional costs of operating during Covid-19 as well as re-building our reserves. This, together with the ability to utilise the Job Retention Scheme for part-furloughing of staff, other specific funding bids and continued focus on costs provides a solid foundation to re-build and grow in the second half of 2021 and into 2022.

The trustees would like to thank all the staff for their continued dedication and hard work during a particularly challenging year.

Objectives and activities

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

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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

Our objectives are delivered through individual and group tuition in voice and an unrivalled variety of instruments in schools and in 4 large music centres in Bracknell, Newbury, Reading and Windsor as well as 3 smaller satellite centres in Caversham, Emmbrook and Bulmershe. Wokingham Borough students attend the music centres in Bracknell and Reading as well as the two Wokingham satellite centres above. Tuition is supplemented by a wide range of ensembles and other extension activities at all levels. Services are contracted directly to parents and carers of students, to schools and to Arts Council England who are responsible for the distribution and management of the Music Education Grant provided by the Department for Education.

Public benefit

The trustees review Berkshire Maestros' Public Benefit commitments annually. The services provided, music education and promotion of the arts, are both defined with the Charities Act 2006 as charitable activities. Berkshire Maestros has comprehensive anti-discriminatory policies that are regularly reviewed to ensure compliance. These policies include all discrimination including financial hardship for which a number of restricted funds have been created to assist students from such backgrounds. Provision of financial assistance is not limited to students of families who qualify for assistance from 'Pupil Premium'. The trustees recognise that students from families whose income is only a little above the level to qualify for 'Pupil Premium' but have to contend with the high cost of living in Berkshire, may also require support and these applications are looked upon favourably. We operate a 'Sponsor a Child' fund to assist children and young people in this category. We also rapidly set up a Covid-19 hardship fund in April 2020 in order to support families to continue their music lessons amidst the difficult financial strain that the pandemic caused for many.

Our vision – Teaching Music, Changing Lives

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

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

Mission statement

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

Core values

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic aims 2018-2022

- We will become the preferred provider of musical services across Berkshire, known and respected for our passion for high standards, the high quality of our teaching and our commitment to create exceptional and accessible musical opportunities for all children and young people regardless of circumstance.
- We will provide an unrivalled breadth of choice, diversity and range of opportunities enabling our young musicians to achieve their potential whilst ensuring that all musical activities are rewarding, inspiring and sustainable.
- We will give all children a First Access to instrumental learning and clear, sustainable progression routes, co-ordinating and assuring a high quality of instrumental and vocal tuition, ensemble provision and other music-making activities.
- We will be at the leading edge of music education, doing what others cannot do, embracing and driving change and challenging what is possible through creativity and innovation.
- We will be a credit to the community we serve by developing and sustaining inspirational partnerships with local and professional music providers, contributing to raising musical standards in schools and the wider community.
- We will listen to our customers and key stakeholders to enable us to continually improve, embracing the notion that Berkshire Maestros is at their service, meeting or exceeding our customers' expectations whilst providing excellent value for money.
- We will ensure that our customer service and communication is second-to-none so that our staff, students, schools and partners can depend on us to deliver a consistent high quality service supporting them to achieve the best possible outcomes for our pupils, their families and the community.
- We will attract, develop and retain a highly qualified and talented workforce committed to our ethos and core values, creating and sustaining opportunities for professional growth.

Achievements, performance and KPIs

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

- Working with 85% of schools to deliver core roles, although lower than last year this still equals the national average.
- Engagement with primary schools (91%) remains higher than the national average.
- Positive take-up of WCET (Whole Class Ensemble Teaching) from schools by 53% of schools, which is 10% higher than the national average.
- Successful graduate teacher programme in response to identifying the need for new skills in workforce.
- New focus on supporting Continuing Professional Development (CPD) for schools, including:
 - o New website including workshops and CPD offers; and
 - o New School Development Manager roles put in place.
- Commitment to Special Educational Needs and Disability (SEND) offer and supporting continuation rates for participants.
- Establishment of a Youth Advisory Board.
- Increased offer through summer term via online, responding to feedback from families.
- Development of a new inclusion strategy, with Phil Mullen, a leading specialist in the field of inclusion.
- High engagement in 1:1 provision online in the summer term of the pandemic, among the highest seen nationally.

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Arts Council England has assessed the level of risk attached to the DfE funding as moderate risk mainly due to the financial repercussions of the global pandemic. This adds an increased level of support including coaching and peer support which the CEO has benefitted from.

Early Years

Our Early Years provision remains strong with an increased programme of activity in 19/20 owing to a successful crowd-funding campaign to start classes in community settings around the county. An amazing total of £18,974 was raised which meant we could start 21 classes in 10 different community venues. These classes all ran successfully and we are in the process of getting them restarted again after the intervention of Covid-19. Lockdown enabled Early Years teachers to establish a bank of videos that can be used to support parents with singing and moving with their child. Focus for this year is on establishing an Early Years Network so that we can support staff delivering in early years settings with their music provision.

First Access

First Access (government funded whole class instrumental programme) continues to be well received in schools and our free termly programme reached 52% of primary schools across the county. This was much reduced compared to last year due to the cancellation of all activity in the summer term 2020 due to Covid-19. A musicianship scheme of work has been developed to enable us to deliver a programme to schools away from instruments if required from September. We continue to run a successful whole-class continuation programme which saw 31 schools continue with the programme. Focus for next year is on ensuring we can run the programme in a more financially viable way moving forward.

Instrumental and vocal tuition in schools and music centres

In the first two terms of the year, we were teaching over 5,400 students every week in schools and at Music Centres around the county. We took on 6 graduate teachers to our Intern Scheme in addition to a further 4 staff where we had capacity to expand our reach. More targeted pupil recruitment was looked at and ownership over our large promotional events was moved to the marketing department. This will allow customers the same experience regardless of where in the county they access our services. We also explored discounts as a form of incentive to sign-up for lessons. Student numbers declined during Covid-19 to 4,100 so our focus for next year is on rebuilding our pupil numbers and ensuring our lessons are accessible for all, regardless of background.

Ensembles and County groups

Our ensembles were a hugely successful part of our offer, attended by 2,365 students on a weekly basis pre-Covid. All ensemble tutors were observed across the first part of the year by a member of Middle Leadership Team who created a report on the findings to enable us to better support ensemble leaders moving forward. Training is being put into place next year by more experienced conductors, especially for new staff and interns. A closer financial look at the ensembles was taken and some smaller groups had to be cut due to no longer being financially viable. This is a key area for next year to ensure that we are offering a wider variety of ensembles to a wider variety of students, including more culturally diverse options as well as accessible options for SEND students.

Our County groups have grown from strength to strength, not only in number, but also in maturity and skill level across the year. The Berkshire Youth Symphony Orchestra numbered 120 students which enabled them to put on some wonderful concerts in the early part of the year. Berkshire Youth Choir, also at over 100 strong, worked hard in rehearsals, recorded for the BBC at Christmas and ended with a stunning online version of Fix You by Coldplay.

Instrument hire scheme

We continue to run a successful instrument hire scheme which helps children and young people access a range of instruments. Free instrument loan for a term is given to young people taking part in our First Access programmes at KS2. We revised our instrument hire prices this year in order to put in place a tiered system supporting increased income for more expensive instruments. Our aim is to leverage funds to allow us to replace old stock where necessary.

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****Support for schools**

This has been a key focus for the year ensuring that schools understand our role as a Music Hub to provide advice and support on a wide range of musical issues. A new website was launched in the spring term that consolidated all the information to schools and as well as making it easier for schools to communicate with relevant Hub staff. We delivered free training to teachers on the new Ofsted framework and an increased level of Charanga training (see Technology section below) as digital delivery proved so important during lockdown. Our focus for next year is on building music networks across the county to further embed our role in supporting schools.

Singing strategy

The singing strategy continues to be implemented and updated according to local need. The two Singing Development Coordinators have established themselves successfully amongst schools in their area and continue to support schools and colleagues to enable high quality singing from a young age. The Junior Music Festivals are key highlights of the year, however we were only able to run the autumn one which involved over 675 students from Reading, Wokingham and West Berkshire. We are currently looking at creative ways we can ensure students can participate in this event this year. The Berkshire Young Singer of the Year competition took place with a total of 161 entries. It was a fantastic event which showcased the amount of talented singers we have in Berkshire. The deserving winner was Serena Cambridge of Queen Anne's School in Reading.

Partnerships

We worked with several of our partners this year, most noticeably Soundabout with whom we are working on a project in Special Schools across the county in enabling music activity for their young people. Culture Mix continue to be a delivery partner of Steel Pan First Access projects. We also worked with The Royal Philharmonic Orchestra with whom some of our academy students got to share a stage and take part in a creative music workshop with composer and conductor, Tim Steiner. We also continued to work with Martin Denny, the Director of the Windsor Music Festival as well as Charanga which is used by 147 of our primary schools.

Examinations

Berkshire Maestros entered a total of 379 candidates for both ABRSM and Trinity examinations, a decrease of 667 due to being unable to run sessions at the end of spring term and in the summer term. Of these, 24% of students passed with a Distinction. We explored another exam board in the summer term, MTB exams, which enabled students and teachers to work together and submit recordings for entries. This saw 26 candidates being entered with 19% receiving a Distinction. We also continue to run Trinity Rock and Pop exams and Rock School exams.

Funding

We successfully bid for the following funding last year: £11,806 from Youth Music for running Mini Maestros classes in Children's Centres, £18,974 crowdfunded through Spacehive for running Mini Maestros classes in community venues, £5,000 from Berkshire Community Foundation to set up a hardship fund for parents unable to afford music lessons due to Covid-19 and £2,485 to run Singing Cafes for Parkinson's and Dementia patients.

We are hoping to build on this next year, starting with a fundraising strategy that will enable us to strategically plan for a more robust approach to external fundraising.

Technology

This area became key for us due to the lockdown in March, when we were suddenly reliant on technology to enable us to not only work remotely, but also deliver online music tuition. We already had access to Microsoft Teams which enabled us to successfully communicate whilst working from home. We then focused on which platform was best to deliver music tuition bearing in mind internet capacity, quality of sound and ease of use. This led to our teachers using Zoom to deliver online lessons and ensemble rehearsals.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

In schools, a total of 9,966 students were able to continue to learn music at home through Yumu - the children's area of the Charanga Platform used to support their online learning. School teachers and instrumental staff uploaded materials to the Charanga platform and, alongside interactive Charanga materials, enabled children to access them through Yumu. Adapted lessons and units of work for home study were developed and made available to each of the schools and instrumental staff. Several teachers attended face to face CPD sessions and webinar training sessions were offered to all staff between March and July 2020.

We have written several bids to enable us to invest in further digital technology that will enable the Hub to live-stream, record high quality videos and increase the access for children and young people to digital music making.

Events

Events were hugely reduced due to Covid-19, however notable performances before the lockdown in March 2020 were BYSO's incredible undertaking of Mahler 1 at The Hexagon in February, our two day Junior Music Festival in November 2019 where over 600 children performed Richard Rodney Bennett's All the Kings Men, Reading Symphonic Wind Orchestra taking part in the National Concert Band Festival and Berkshire Youth Choir taking part in Evensong at Magdalen College Chapel, Oxford in November 2019.

We also ran two successful competitions to crown Berkshire Young Singer of the Year and Berkshire Young Wind/Brass/Percussion Player of the Year. With well over 150 applications for each competition, a huge amount of talent from across the county was displayed and the winners faced several rounds of tough competition. We are hoping the winners will be featured in a concert in autumn 2021 as part of our continued work with the Windsor Festival.

We were delighted that former student, Ewan Millar, won the Woodwind Final of the prestigious BBC Young Musician of the Year competition in May. Ewan began playing the oboe at eight under the brilliant tutelage of Nicky Fairbairn as well as taking part in Reading Music Centre ensembles, BYSO and BYC. Joining him in the Woodwind Final was another former student, Alice Gore.

Education leadership team restructure

A restructure of the education middle leadership team was undertaken in March 2020 in order to clarify job roles and responsibilities as well as to create a better structure. Three new Senior Leader roles were also created to align with key parts of the National Plan for Music Education.

Our response to Covid-19

Covid-19 and the necessary restrictions had a clear impact on the organisation during the reporting year (2019-2020) and has obviously continued into autumn of 2020 and into 2021. To give the fullest picture, this section describes our response from March 2020 through to December 2020.

Due to Covid-19, we rapidly adjusted and fully transitioned to a model of online delivery within 2 weeks, maintaining 75% of our students in this way (4,105 of 5,481). For ensembles, First Access and Early Years delivery we used the summer term to deliver a combination of virtual rehearsals, pre-recorded Early Year Foundation Stage videos and singing videos as well as split-screen recordings from some of our groups.

We fundraised and set up a Covid-19 hardship fund for families who were suddenly unable to pay for music lessons for their child, to support those who were most in need. We ran a series of courses over the summer to bring in additional income and took the opportunity to consolidate teaching so that contracted staff were fulfilling hours rather than paying additional self-employed staff. We furloughed 6 staff members in total where they physically could not work from home and we could cover the work elsewhere.

In the move to online teaching, we drew up a comprehensive Acceptable Use Policy which included Safeguarding guidance as well as Online Learning Guidelines for parents, students and teachers. We trained staff in how to use Zoom effectively through recorded tutorials and have developed our ensemble delivery through peer support and development.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

We closed our office on 16th March 2020 and central services staff were enabled to work from work laptops and the use of Microsoft Teams/OneDrive as well as VPN access onto work PCs. Teachers were supported to work remotely and could borrow instruments where needed to enable them to fully teach from home. Many set up home studios and purchased extra mics and screens to enable a more interactive lesson experience. Communication with parents, students and schools was key at this time; the use of SpeedAdmin (our admin system that includes managing lessons and teacher scheduling) was essential and meant we could communicate easily and swiftly with stakeholders throughout. Communication with teams became easier as line managers were able to hold virtual meetings on a more frequent basis; this has positively impacted how we are holding meetings now and into the future.

Due to the specialised instrument-specific skills of music teachers, we were unable to consolidate teaching across a lower number of teachers to make substantial use of the government furlough scheme. We therefore only furloughed two contracted teachers who physically could not teach at home and four administration/resource workers, whose work we could reasonably cover for an interim time.

We were able to resume face to face teaching in 64% of schools and in 3 out of our 6 music centres from September 2020. A number of schools were prepared to enable us access after October half term as were two of our other Music Centres. The onset of a second lockdown from 5th November saw the closure of all our Music Centres and reduced activity in schools. We made a seamless transition to online delivery however and student numbers remained fairly stable, having just reached the 75% we saw in summer 2020. We saw a reduction in ensemble numbers by 7.5% at this time as students found maintaining online rehearsals more difficult, especially for those that had been online since September.

We were delighted that the Arts Council supported our submission for a Cultural Recovery Fund (CRF) Grant and we were successful in obtaining the full amount requested in October 2020, which came as a lifeline to stabilise the organisation at this time. The grant of £784k was spent on re-inflating reserves, investing in digital infrastructure as well as staffing costs during the autumn term 2020 as we moved into a further lockdown in the spring term. We applied for a second round of CRF funding and were again awarded the full amount requested in April 2021 of £375k. The aims for this round are to rebuild and regrow student numbers as restrictions lessen in the summer term 2021.

We completed a thorough analysis of teacher capacity and were able to make use of the Job Retention Scheme being open for new employees in November. We have part-furloughed around a third of the teaching workforce for November and December where they have capacity in their contracts, but we do not have the students to fill their hours and therefore have no income against those hours.

Plans for future periods

Priorities for year ahead include:

- Ensuring the financial stability and viability of Berkshire Maestros including increased financial oversight, rigorous focus on cost management, applications for governments grants (e.g. Cultural Recovery Fund) and use of other government schemes (e.g. Job Support Scheme).
- Reviewing our current performance on diversity and inclusion and putting in place a strategy to guide our work to becoming more inclusive and accessible for all children and young people.
- Undertaking a governance review utilising the Charities Governance Code to ensure that we are conforming to current best practice.
- Consolidating and delivering benefit from the re-organisation of the Middle and Senior Leadership Team.
- Review of the medium/long-term strategy of Berkshire Maestros to replace/refresh the 2018-2022 strategic plan.
- Sustaining engagement in the face of Covid-19/changing restrictions, by continuing to leverage our technology investment and creating new engagement pathways.
- Launch of new website and streamlining our social media.
- Increasing accessibility to Music Centres by reviewing current model and analysing data.
- Increased support for school staff at this time with accessible CPD.
- Launch of Early Years Music Network for practitioners working in different EYFS settings across the county.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

The financial results are set out in the Statement of Financial Activities on page 19 and show a deficit for the year of £439,891 (2019: £396,794).

In order to comply with accounting standards and, in particular FRS 102 Post-Employment Benefits, resources expended include a charge of £185,000 (2019: £172,000) for pension costs relating to the Defined Benefit Pension Scheme for administrative staff. This accounting standard requires that the pensions' liability is recognised as the benefits are earned, not when they are due to be paid, and accordingly an estimate of the liabilities accrued for the period is provided by the scheme's actuary (for full details see note 25). This adjustment is calculated at the year-end and is not monitored throughout the year when reviewing the operating finances of the organisation. The total value of the pension scheme liability at 31 August 2020 is £2,910,000 (2019: £2,357,000) as shown in the balance sheet on page 20.

For operational purposes, the trustees use the "Operating surplus/(deficit)" of the unrestricted funds as a more meaningful performance measure. The unrestricted operating deficit for the period was £278k as shown below:

	2020		2019	
	Unrestricted	Restricted	Unrestricted	Restricted
	£'000	£'000	£'000	£'000
Income	3,478	1,186	4,100	1,033
Expenditure	(3,756)	(1,192)	(4,318)	(1,054)
Operating surplus / (deficit)	(278)	(6)	(218)	(21)
FRS 102 adjustment	(185)	-	(172)	-
Unrealised investment gain	29	-	14	-
Net income / (expenditure)	(434)	(6)	(376)	(21)

Operational results for the year have been substantially affected by the Covid-19 pandemic as the national lockdown and restrictions on face-to-face teaching were put in place. Government funding from Arts Council England (ACE) was unaffected, but the number of students taking lessons fell by 25% as teaching moved online and a reduced number of school projects were delivered. From March onwards it was not possible to raise additional income from subletting rooms at Stoneham Court or fundraising at performances, which had a knock-on impact on the value of funds raised through gift aid and orchestra tax.

At the start of the crisis, immediate action was taken to reduce costs wherever possible and teaching was reallocated to contracted staff in order to reduce variable fees paid to self-employed teachers. Only a small number of staff were furloughed, as part-time furlough was not an option at the time. Although some small savings were made on running costs, overhead costs were largely unaffected, with Music Centre premises costs remaining payable under the contractual terms.

Income

Overall total income fell by 9% year on year to £4,664k (2019: £5,133k):

- Fees from parent paid and school lessons and ensembles showed a reduction of 12% at £3,056k (2019: £3,469k), as a result of reduced activity levels during the pandemic.
- Government funding was increased to £1,152k (2019: £995k). These are restricted funds provided specifically to support delivery of the National Plan for Music Education through first access programmes and music hub activities together with funding from the Department of Education to support the Teachers' Pension Scheme..
- Other income raised through music related activities such as examinations, concerts, instrument hire was 43% lower at £287k (2019: 503k).
- Orchestra tax relief was eliminated because of the reduced number of performances in the year £nil (2019: £16k).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Expenditure

Total expenditure showed a reduction of 7% at £5,133k (2019: £5,543k):

- Contracted staff costs were marginally lower at £3,656k (2019: £3,667k), as a result of internal restructuring and reduced recruitment.
- Fees paid to self-employed staff were lower due to reallocation of teaching activities to contracted staff during the summer term: £286k (2019: £360k).
- Event costs were substantially lower at £69k (2019: £253k) reflecting the cancellation of events in the second half of the year.
- Governance costs were lower at £31k (2019: £35k).

Cashflow

There was a net inflow of cash during the year with cash balances of £396k (2019: £383k) at year end. This includes £1,058k received prior to the year end for autumn 2020 activities.

Restricted funds

The total value of restricted funds held at the year-end is £42k (2019: £46k). The funding received from Arts Council England was used to directly support our activities as leader of the Berkshire Music Hub, with no balance carried forward. Other restricted funds relate to donations specifically provided by individuals or organisations to provide financial support for students in the form of fee assistance or donated instruments. During the summer term a new Covid-19 hardship fund was created to specifically support children whose families are suffering financial hardship as a result of the pandemic. The total value of charitable financial support provided through these funds was £138k (2019: £143k).

Principal risks and uncertainties

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

The trustees consider the major risks facing Berkshire Maestros are:

- Arts Council England funding continues to be confirmed on a one year cycle, currently confirmed until March 2022.
- On-going impact of Covid-19 and the (necessary) restrictions – national lockdown and/or higher tier rules have a significant impact on our ability to offer the full range of services and experiences, leading to drop in pupil numbers and income.
- Underfunding of the two defined benefit pension schemes, the Teachers' Pension Scheme and the Local Government Pension scheme. This could result in additional provisions in the accounts and/or an increase in costs.
- Uncertainty created by current economic climate and the impact of Brexit, music lessons being an early victim of any downturn in the economy.

Reserves policy

The trustees reviewed their reserves policy during the year in the light of the Covid-19 pandemic. It was agreed that the funds invested with Ruffer should only be divested as a last resort and that if necessary, emergency coronavirus loan schemes would be used to help get through the short-term impacts of the crisis.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

In normal circumstances, the organisation aims to maintain expendable reserves at a level which will enable it to withstand periods of poor trading conditions or, in extreme circumstances, to manage a fundamental restructure of Berkshire Maestros' activities. On this basis the trustees have set a target for expendable reserves of approximately 3 months' expenditure, approximately £1 million. As a result of reduced activity levels during the Covid-19 pandemic and the resulting operating deficit, free reserves at the end of the year had fallen substantially below the target level to £359k (2019: £578k). Many other arts and cultural organisations found themselves in similar positions and in recognition of this the government made financial support available in the form of the Culture Recovery Fund. A bid for £784k was submitted in August and we have been awarded a grant which is being received in 3 tranches over the period from October 2020 to April 2021. A proportion of this grant will be used to reinflate reserves.

It should be noted that the recognition of the defined benefit pension scheme liability under FRS 102 clearly has a major impact on the reported unrestricted reserves of the Berkshire Maestros. This liability is updated annually to reflect market conditions and other actuarial assumptions. The liability at 31 August 2020 was £2,910,000 (2019: £2,357,000) although this is significant, it does not mean an immediate liability for this amount crystallises. As a result, this liability is not included when calculating free reserves.

The LGPS, the scheme involved, has a recovery plan and additional contributions are being made to reduce this deficit, in 2019/20 these amount to £31,000 and in 2020/21 they are £25,534.

Trust investments

Trustees are authorised under the Memorandum of Association to invest funds not immediately required to fund working capital in investments, securities or property. All investments involve risk and the trustees have adopted the policy, in the past, that any investment should have minimum risk.

The trustees decided in the year ended 31 August 2017 to invest surplus funds of £500,000 in an absolute return fund, the LF Ruffer Total Return Fund. The benchmark for this fund is not to lose money in a rolling 12-month period and to increase the value of the portfolio after all fees by a higher rate than would be obtained by placing money on deposit.

The fund is monitored by the Finance and Property Committee, the fund value of £542k at the year-end resulted in an unrealised gain.

Forward view and going concern statement

The ongoing impact of the Covid-19 pandemic has had a continued impact on the organisation with restrictions on our ability to deliver face to face teaching and live events. Fee income continues to be around 75% of pre-Covid levels, but demand for online lessons remains stable. From November 2020 we have been able to utilise the Government's Job Retention Scheme to part-time furlough staff who are not fully utilised. This has significantly helped to flex our staff costs in line with activity levels and has given us some financial stability in the short-term.

Additional funding bids have been submitted since year end with £30k received from the Foyle Foundation for the purchase of digital equipment and £18k raised through the Play Your Heart Out event including match funding from The Greenham Trust. We have also been successful in a second bid to the Culture Recovery Fund and will receive £375k for April to June 2021 to rebuild student numbers.

Our plan is to use the summer term in 2021 to re-engage with our students, schools and communities, and get students enrolled in lessons for the 2021/22 academic year. We hope to be able to give everyone the opportunity to perform again in person and are planning an outdoor festival in July.

Costs and cashflow forecasts continue to be closely monitored and a strategic review is being carried out with the aim of making the organisation more financially stable in the long term.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management

Constitution

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

Trustee Board

The Trust is managed by a trustee board. It has been the practice that twelve of the seats on the board of trustees have been reserved (as detailed below) with other appointments at the discretion of the board. The board is ultimately responsible for the activities and performance of the Trust. However, day to day management is delegated to the Chief Executive supported by a Senior Management Team.

Reserved seats are currently filled as follows:

- Participating unitary authorities: P Gittings (Reading), C Bowring (Wokingham)
- Parent associations: A Pollard (Newbury)
- School representatives: A Butler (Primary Head), Maria Rouco (SEND)

There are two Local Authority representatives without trustee powers: G Bernard (Bracknell Forest) and C Del Campo (Royal Borough of Windsor & Maidenhead). Three representatives from Berkshire Maestros Staff Association and the Chair of the Berkshire Maestros Youth Advisory Board also attend Board meetings.

Nine seats on the board are currently occupied by other persons who have been invited to stand as trustees by the full board to provide relevant experience and skills.

Election and appointment of trustees

Nominations for appointments for any of the Reserved Seats are made by their sponsoring organisations. The trustee board then considers and approves such nominations.

Upon the resignation or retirement of trustees from any of the seats reserved for external bodies, the board will consider nominations made by those bodies and decide on their suitability. The board has an expectation that should any trustee cease to be a member or cease to have close and acceptable connections with their nominating body, then the trustee will immediately vacate the position.

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

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

Governance

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

Currently, there is one Committee – Finance and Property, with their areas of responsibility involving monitoring and reviewing operational and financial performance together with ensuring appropriate financial controls are in operation. Additionally, it has responsibility for risk management, governance and statutory audit.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

As part of the governance review that will be undertaken in 2020-2021, we will be actively considering what additional Committees (if any) should be established.

Pay policy for key management personnel

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

Health & Safety and Child Protection

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

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

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

Berkshire Maestros adopts the current requirements of the Home Office and Department of Education (DfE) to arrange the registration and Enhanced DBS checks for all new staff. All staff are required to complete a "Declaration of Disqualification" and undergo Prevent training. We hold on file and verify all personnel, right to work, medical and disqualification checks in line with OFSTED including home address and NI number – in line with July 2015 DfE Guidance – Keeping children safe in education. DBSs are regularly re-checked for all staff and a regular cycle of safeguarding training in place.

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditor

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

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

Auditor

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

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



Adam Pollard 28 Apr 2021 10:14:07 BST (UTC +1)

.....
A Pollard
Chairman of Trustees

Date: 28 April 2021

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

We have audited the financial statements of The Berkshire Young Musicians Trust (operating as Berkshire Maestros) (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)

(A company limited by guarantee)

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Farwell MA DChA (Senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Communications Road

Greenham Business Park

Greenham

Newbury

Berkshire,

RG19 6AB

Date: 28/04/2021

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	34,122	36,945	71,067	67,646
Charitable activities:	6				
Fees		-	3,132,885	3,132,885	3,516,700
Government funding		1,151,588	-	1,151,588	995,243
Other music related activities		-	286,996	286,996	503,153
Other charitable activities		-	-	-	15,683
Investments	5	-	211	211	464
Other income		-	21,178	21,178	33,945
Total income		1,185,710	3,478,215	4,663,925	5,132,834
Expenditure on:					
Raising funds		-	65,678	65,678	59,846
Charitable activities	9	1,191,752	3,875,372	5,067,124	5,483,511
Total expenditure		1,191,752	3,941,050	5,132,802	5,543,357
Net gains on investments	11	-	28,986	28,986	13,729
Net expenditure		(6,042)	(433,849)	(439,891)	(396,794)
Transfers between funds	19	1,592	(1,592)	-	-
Net movement in funds before other recognised gains/(losses)		(4,450)	(435,441)	(439,891)	(396,794)
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(368,000)	(368,000)	(388,000)
Net movement in funds		(4,450)	(803,441)	(807,891)	(784,794)
Reconciliation of funds:					
Total funds brought forward		46,011	(152,539)	(106,528)	678,266
Net movement in funds		(4,450)	(803,441)	(807,891)	(784,794)
Total funds carried forward		41,561	(955,980)	(914,419)	(106,528)

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

The notes on pages 22 to 45 form part of these financial statements.

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)

(A company limited by guarantee)

REGISTERED NUMBER: 1673689

**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	1,602,404	1,639,284
Investments	15	100	100
		<u>1,602,504</u>	<u>1,639,384</u>
Current assets			
Debtors	16	707,604	243,296
Investments	17	542,301	513,315
Cash at bank and in hand		395,817	382,724
		<u>1,645,722</u>	<u>1,139,335</u>
Creditors: amounts falling due within one year	18	(1,252,645)	(528,247)
Net current assets		<u>393,077</u>	<u>611,088</u>
Defined benefit pension scheme liability	25	(2,910,000)	(2,357,000)
Total net assets		<u>(914,419)</u>	<u>(106,528)</u>
Charity funds			
Restricted funds	19	41,561	46,011
Unrestricted funds			
Unrestricted funds excluding pension asset	19	1,954,020	2,204,461
Pension reserve	19	(2,910,000)	(2,357,000)
Total unrestricted funds	19	<u>(955,980)</u>	<u>(152,539)</u>
Total funds		<u>(914,419)</u>	<u>(106,528)</u>

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

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

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



A Pollard 28 Apr 2021 10:14:07 BST (UTC+1)

A Pollard

Chairman of Trustees

Date: 28 April 2021

The notes on pages 22 to 45 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	47,331	(314,375)
Cash flows from investing activities			
Interest from investments		211	464
Purchase of tangible fixed assets		(34,449)	(104,719)
Net cash used in investing activities		(34,238)	(104,255)
Change in cash and cash equivalents in the year		13,093	(418,630)
Cash and cash equivalents at the beginning of the year		382,724	801,354
Cash and cash equivalents at the end of the year	23	395,817	382,724

The notes on pages 22 to 45 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 Going concern

As at 31 August 2020 the balance sheet shows net liabilities of £914,419. This position reflects the current year operating deficit which has arisen as a result of the Covid-19 pandemic and an increase in the pension scheme liability on the Local Government Defined Benefit Pension Scheme to £2,910,000.

Subsequent to year end, £1,159k of funding has been received from the Cultural Recovery Fund which will enable the organisation to rebuild reserves and invest in a programme of activity to increase student numbers and fee income to pre-Covid levels. The trustees believe that no significant payments in respect of the pension deficit will be required in the foreseeable future.

Accordingly the trustees continue to adopt the going concern basis in preparing the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.3 Income

Fees

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

Voluntary income

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

Donations

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

Government funding

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

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

Events, courses, concerts and tours

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

2.4 Expenditure

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

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

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

2.5 Interest receivable

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

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

2.7 Investments

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

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

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

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.11 Financial instruments

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

2.12 Operating leases

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

2.13 Pensions

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

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

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

2.14 Fund accounting

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

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

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

3. Critical accounting estimates and areas of judgement

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

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions:

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

Critical areas of judgement:

Tangible fixed assets

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

Bad debts

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

Pensions

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Income from donations and grants

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	34,122	3,419	37,541	60,058
Grants	-	13,708	13,708	7,588
Covid-19 Job Retention Scheme grant	-	19,818	19,818	-
	<u>34,122</u>	<u>36,945</u>	<u>71,067</u>	<u>67,646</u>
Total 2019	<u>38,034</u>	<u>29,612</u>	<u>67,646</u>	

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5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest received	211	211	464
	<u>211</u>	<u>211</u>	<u>464</u>
Total 2019	464	464	
	<u>464</u>	<u>464</u>	

6. Income from charitable activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fees (see note 7)	-	3,132,885	3,132,885	3,516,700
Government funding	1,151,588	-	1,151,588	995,243
Other music related activities (see note 8)	-	286,996	286,996	503,153
Orchestra tax relief	-	-	-	15,683
	<u>1,151,588</u>	<u>3,419,881</u>	<u>4,571,469</u>	<u>5,030,779</u>
Total 2019	995,243	4,035,536	5,030,779	
	<u>995,243</u>	<u>4,035,536</u>	<u>5,030,779</u>	

7. Fees

	2020 £	2019 £
Lessons and ensembles	3,056,469	3,469,125
Gift Aid	76,416	46,886
Other fees	-	689
	<u>3,132,885</u>	<u>3,516,700</u>

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8. Other music related income

	2020 £	2019 £
Examination fees	45,383	64,009
Instrument income	145,120	150,444
Tours	25,468	116,486
Concerts	55,443	150,223
Courses and workshops	15,582	21,991
	<u>286,996</u>	<u>503,153</u>

9. Analysis of charitable expenditure by activities

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Marketing costs	26,109	-	-	26,109	36,807
Charitable financial support	-	137,965	-	137,965	260,514
Teaching costs	3,555,397	-	736,714	4,292,111	4,111,071
Music related costs	224,977	-	100,461	325,438	615,267
Events, courses, concerts and tours	69,378	-	-	69,378	253,082
Pension adjustment	-	-	185,000	185,000	172,000
Governance costs	-	-	31,123	31,123	34,770
	<u>3,875,861</u>	<u>137,965</u>	<u>1,053,298</u>	<u>5,067,124</u>	<u>5,483,511</u>
Total 2019	<u>4,194,148</u>	<u>260,514</u>	<u>1,028,849</u>	<u>5,483,511</u>	

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	2020 £	2019 £
Staff costs	415,971	517,006
Depreciation	56,006	57,409
Travel costs	3,942	3,090
IT costs	53,440	77,108
Postage	869	3,115
Telecommunications	21,504	16,304
Staff training	32,171	27,908
Recruitment	17,284	25,470
Insurance	25,433	17,818
Bad debts	108,578	34,187
Bank charges	28,334	15,936
Repairs and maintenance	17,978	12,486
Premises costs	55,665	14,242
Legal and professional	19,713	23,520
Auditor's remuneration	11,410	11,250
Pension adjustment	185,000	172,000
	<u>1,053,298</u>	<u>1,028,849</u>

Support and administration costs are split between teaching costs and music related costs in the ratio of 88% and 12% respectively. The total allocated is: teaching costs £736,714 (2019: £723,429) and music related costs £100,461 (2019: £98,650).

10. Governance costs

	2020 £	2019 £
Auditor's remuneration	11,410	11,250
Other professional fees	19,713	23,520
	<u>31,123</u>	<u>34,770</u>

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FOR THE YEAR ENDED 31 AUGUST 2020**

11. Unrealised gain on investment

	2020 £	2019 £
Gains on investment assets	<u>28,986</u>	<u>13,729</u>

In 2017 surplus funds of £500,000 were originally invested in an absolute return fund. During the year to 31 August 2020 the funds were transferred to the LF Ruffer Total Return Fund. For the year ending 31 August 2020 the fund value resulted in an unrealised gain of £28,986 (2019: gain of £13,729).

12. Net Income/(expenditure)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	71,329	73,967
Auditor's remuneration	<u>11,410</u>	<u>11,250</u>

During the year, no trustees received any remuneration (2019 - £NIL).

During the year, no trustees received any benefits in kind (2019 - £NIL).

During the year, no trustees received any reimbursement of expenses (2019 - £NIL).

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13. Staff costs

	2020 £	2019 £
Wages and salaries	2,790,689	2,928,931
National insurance costs	251,972	267,506
Other pension costs	613,154	470,143
	<u>3,655,815</u>	<u>3,666,580</u>

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

	2020 No.	2019 No.
Management and administration	30	36
Full time teachers	57	59
Part time teachers	34	33
	<u>121</u>	<u>128</u>

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	-
In the band £70,001 - £80,000	-	1
	<u>-</u>	<u>1</u>

During the year remuneration paid to key management personnel, including national insurance contributions, totalled £154,318 (2019: £214,594).

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14. Tangible fixed assets

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer and office equipment £	Musical instruments £	Total £
Cost or valuation						
At 1 September 2019	1,695,859	18,345	66,953	209,859	489,640	2,480,656
Additions	11,870	-	6,506	7,578	8,495	34,449
At 31 August 2020	<u>1,707,729</u>	<u>18,345</u>	<u>73,459</u>	<u>217,437</u>	<u>498,135</u>	<u>2,515,105</u>
Depreciation						
At 1 September 2019	129,563	12,230	53,436	173,198	472,945	841,372
Charge for the year	31,580	3,669	5,335	19,092	11,653	71,329
At 31 August 2020	<u>161,143</u>	<u>15,899</u>	<u>58,771</u>	<u>192,290</u>	<u>484,598</u>	<u>912,701</u>
Net book value						
At 31 August 2020	<u>1,546,586</u>	<u>2,446</u>	<u>14,688</u>	<u>25,147</u>	<u>13,537</u>	<u>1,602,404</u>
At 31 August 2019	<u>1,566,296</u>	<u>6,115</u>	<u>13,517</u>	<u>36,661</u>	<u>16,695</u>	<u>1,639,284</u>

Included in land and buildings is freehold land at valuation of £346,747 (2019: £346,747) which is not depreciated.

The cost or valuation at 31 August 2020 is as follows:

	2020 £
At Valuation	
Land and building at original cost	891,953
Revaluation in 2014	508,047
Land and building valuation	<u>1,400,000</u>
At Cost	
2015 additions	146,747
2016 additions	3,606
2017 additions	53,749
2019 additions	91,757
2020 additions	11,870
Total	<u>1,707,729</u>

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

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

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

	2020 £	2019 £
Cost	1,199,682	1,187,811
Accumulated Depreciation	(459,051)	(427,471)
Net book value	740,631	760,340

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2019	100
At 31 August 2020	100
Net book value	
At 31 August 2020	100
At 31 August 2019	100

See note 30 for further information.

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16. Debtors

	2020 £	2019 £
Due within one year		
Amounts due in relation to tuition fees	426,539	51,490
Amounts owed by group undertakings	47,223	-
Other debtors	203,678	162,166
Prepayments and accrued income	30,164	29,640
	<u>707,604</u>	<u>243,296</u>

The increase in amounts due in relation to tuition fees reflects the fact that invoices for autumn 2020 were raised prior to the year end.

17. Current asset investments

	2020 £	2019 £
LF Ruffer total return fund	<u>542,301</u>	<u>513,315</u>

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	38,833	21,222
Other taxation and social security	61,375	66,187
Other creditors	67,263	56,655
Accruals and deferred income	1,085,174	384,183
	<u>1,252,645</u>	<u>528,247</u>

	2020 £
Deferred income	
Deferred income at 1 September 2019	271,497
Resources deferred during the year	1,057,850
Amounts released from previous periods	(271,497)
	<u>1,057,850</u>

The increase in deferred income reflects the fact that invoices for autumn 2020 were raised prior to the year end.

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****19. Statement of funds****Statement of funds - current year**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
Building maintenance	59,982	-	-	-	-	59,982
IT development fund	74,000	-	-	-	-	74,000
Tour funds	21,131	-	-	-	-	21,131
	<u>155,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,113</u>
General funds						
General Funds - all funds	2,049,348	3,478,215	(3,756,050)	(1,592)	28,986	1,798,907
Pension reserve	(2,357,000)	-	(185,000)	-	(368,000)	(2,910,000)
	<u>(307,652)</u>	<u>3,478,215</u>	<u>(3,941,050)</u>	<u>(1,592)</u>	<u>(339,014)</u>	<u>(1,111,093)</u>
Total Unrestricted funds	<u>(152,539)</u>	<u>3,478,215</u>	<u>(3,941,050)</u>	<u>(1,592)</u>	<u>(339,014)</u>	<u>(955,980)</u>
Restricted funds						
Robina Dallmeyer memorial fund	66	-	(1,000)	934	-	-
ACE funding	-	1,151,588	(1,151,588)	-	-	-
Sponsor a child	13,729	2,598	(9,206)	-	-	7,121
UA disadvantaged funds	18,803	5,783	(1,246)	-	-	23,340
Greenham Trust	(458)	19,880	(20,080)	658	-	-
Donated instruments	13,871	-	(6,332)	-	-	7,539
Covid-19 hardship fund	-	5,861	(2,300)	-	-	3,561
	<u>46,011</u>	<u>1,185,710</u>	<u>(1,191,752)</u>	<u>1,592</u>	<u>-</u>	<u>41,561</u>

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

Statement of funds - current year (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Total of funds	(106,528)	4,663,925	(5,132,802)	-	(339,014)	(914,419)

Sponsor a child

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

UA disadvantaged fund

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

Arts Council England (ACE) Funding

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

Greenham Trust

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

Donated instruments

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

Covid-19 hardship fund

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

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19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds					
Designated funds					
Building maintenance	59,982	-	-	-	59,982
IT development fund	74,000	-	-	-	74,000
Tour funds	21,131	-	-	-	21,131
	<u>155,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,113</u>
General funds					
General Funds - all funds	2,253,638	4,099,557	(4,317,576)	13,729	2,049,348
Pension reserve	(1,797,000)	-	(172,000)	(388,000)	(2,357,000)
	<u>456,638</u>	<u>4,099,557</u>	<u>(4,489,576)</u>	<u>(374,271)</u>	<u>(307,652)</u>
Total Unrestricted funds	<u>611,751</u>	<u>4,099,557</u>	<u>(4,489,576)</u>	<u>(374,271)</u>	<u>(152,539)</u>
Restricted funds					
Robina Dallmeyer memorial fund	340	926	(1,200)	-	66
ACE funding	-	995,243	(995,243)	-	-
Sponsor a child	17,466	3,707	(7,444)	-	13,729
UA disadvantaged funds	20,422	-	(1,619)	-	18,803
Greenham Trust	7,188	33,401	(41,047)	-	(458)
Donated instruments	21,099	-	(7,228)	-	13,871
	<u>66,515</u>	<u>1,033,277</u>	<u>(1,053,781)</u>	<u>-</u>	<u>46,011</u>
Total of funds	<u>678,266</u>	<u>5,132,834</u>	<u>(5,543,357)</u>	<u>(374,271)</u>	<u>(106,528)</u>

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20. Summary of funds

Summary of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Designated funds	155,113	-	-	-	-	155,113
General funds	(307,652)	3,478,215	(3,941,050)	(1,592)	(339,014)	(1,111,093)
Restricted funds	46,011	1,185,710	(1,191,752)	1,592	-	41,561
	<u>(106,528)</u>	<u>4,663,925</u>	<u>(5,132,802)</u>	<u>-</u>	<u>(339,014)</u>	<u>(914,419)</u>

Summary of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
Designated funds	155,113	-	-	-	155,113
General funds	456,638	4,099,557	(4,489,576)	(374,271)	(307,652)
Restricted funds	66,515	1,033,277	(1,053,781)	-	46,011
	<u>678,266</u>	<u>5,132,834</u>	<u>(5,543,357)</u>	<u>(374,271)</u>	<u>(106,528)</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	7,539	1,594,865	1,602,404
Fixed asset investments	-	100	100
Current assets	34,022	1,611,700	1,645,722
Creditors due within one year	-	(1,252,645)	(1,252,645)
Provisions for liabilities and charges	-	(2,910,000)	(2,910,000)
Total	<u>41,561</u>	<u>(955,980)</u>	<u>(914,419)</u>

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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	13,871	1,625,413	1,639,284
Fixed asset investments	-	100	100
Current assets	32,140	1,107,195	1,139,335
Creditors due within one year	-	(528,247)	(528,247)
Provisions for liabilities and charges	-	(2,357,000)	(2,357,000)
Total	46,011	(152,539)	(106,528)

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(439,891)	(396,794)
Adjustments for:		
Depreciation charges	71,329	73,967
Unrealised (gains)/losses on investments	(28,986)	(13,729)
Interest from investments	(211)	(464)
Increase in debtors	(464,308)	(2,112)
Increase/(decrease) in creditors	724,398	(147,243)
FRS 102 pension adjustment	185,000	172,000
Net cash provided by/(used in) operating activities	47,331	(314,375)

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	395,817	382,724
Total cash and cash equivalents	395,817	382,724

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24. Analysis of changes in net debt

	At 1 September 2019	Cash flows	Changes in market value and exchange rate movements	At 31 August 2020
	£	£	£	£
Cash at bank and in hand	382,724	13,093	-	395,817
Debt due within 1 year	(56,655)	(10,608)	-	(67,263)
Liquid investments	513,315	-	28,986	542,301
	<u>839,384</u>	<u>2,485</u>	<u>28,986</u>	<u>870,855</u>

25. Pension commitments

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

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

Contributions amounting to £67,263 were payable to the schemes at 31 August 2020 (2019: £56,655) and are included within creditors.

Teachers' Pension Scheme

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

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

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

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

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25. Pension commitments (continued)

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

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

The employer's pension costs paid to TPS in the year amounted to £482k (2019: £316k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2020 was £169k (2019: £149k), of which employer's contributions totalled £132k (2019: £116k) and employees' contributions totalled £37k (2019: £33k). The agreed contribution rates for future years are 20.6 per cent for employers and 5.5-12.5 per cent for employees.

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

	At 31 August 2020 %	At 31 August 2019 %
Discount rate	1.60	1.85
Future salary increases	3.30	3.75
Future pension increases	2.30	2.25
Inflation RPI	3.30	3.25
Inflation CPI	2.30	2.25

	At 31 August 2020 Years	At 31 August 2019 Years
Mortality rates (in years)		
- for a male aged 65 now	21.5	22.1
- at 65 for a male aged 45 now	24.1	24.0
- for a female aged 65 now	22.9	23.7
- at 65 for a female aged 45 now	25.5	25.8

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25. Pension commitments (continued)

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

	At 31 August 2020 £	At 31 August 2019 £
Equities	1,423,000	1,196,000
Other bonds	319,000	311,000
Property	346,000	271,000
Cash and other liquid assets	231,000	168,000
Target return portfolio	75,000	102,000
Commodities	9,000	13,000
Infrastructure	178,000	210,000
Longevity insurance	(144,000)	(125,000)
Total fair value of assets	2,437,000	2,146,000

The actual return on scheme assets was £93,000 (2019 - £124,000).

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

	2020 £	2019 £
Current service cost	272,000	207,000
Past service cost	-	33,000
Interest income	(40,000)	(53,000)
Interest cost	83,000	99,000
Administrative expenses	2,000	2,000
Contributions by employer	(132,000)	(116,000)
Total amount recognised in the Statement of Financial Activities	185,000	172,000

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25. Pension commitments (continued)

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

	2020 £
Opening defined benefit obligation	4,503,000
Current service cost	272,000
Interest cost	83,000
Change in financial assumptions	328,000
Change in demographic assumptions	(98,000)
Change in demographic assumptions	305,000
Change in financial assumptions	(83,000)
Current service cost	37,000
Closing defined benefit obligation	5,347,000

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

	2020 £
Opening fair value of scheme assets	2,146,000
Interest on assets	40,000
Return on assets less interest	53,000
Other actuarial gains	114,000
Contributions by employer	(2,000)
Contributions by employer	132,000
Contributions by scheme participants	37,000
Benefits paid	(83,000)
Closing fair value of scheme assets	2,437,000

26. Operating lease commitments

At 31 August 2020 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	57,357	66,874
Later than 1 year and not later than 5 years	8,888	33,814
	66,245	100,688

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27. Indemnity insurance

Funds of the Charity amounting to £1,231 (2019: £1,231) have been used in the purchase of insurance to protect the Charity from loss arising out of neglect or defaults of its directors or officers and to indemnify its directors or officers against the consequences of any neglect or default on their part.

28. Related party transactions

The following trustees entered into related party transactions with the company during the year:

	2020 £	2019 £
C Hyde	1,387	1,199
J Quinn	68	2,996
G Barnard	-	1,216
A Pollard	2,587	-
J Manwaring	820	-
	<u>4,862</u>	<u>5,411</u>

The above transactions are for music lessons, ensemble and other related activities paid for by these trustees. These activities are all invoiced at normal fee tariff rates and on an arms length basis.

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29. Guarantees

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

30. Principal subsidiaries

The following was a subsidiary undertaking of the company:

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

Class of shares	Holding	Included in consolidation
Ordinary	100%	No

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Net assets £
Maestros Enterprises Limited	32,690	(32,690)	100