

Charity Registration No. 1159622

Company Registration No. 09268124 (England and Wales)

CORNWALL MUSIC SERVICE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

CORNWALL MUSIC SERVICE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	D Fryer	
	A Gordon-Brown	
	R Thomas	
	A Retallack	
	P Kneebone	
	J Bailey	
	B Wade	
	D Solly	
	E Sibley	(Appointed 30 September 2019)
	JA Scarborough	(Appointed 30 September 2019)
	A Johnson	(Appointed 2 November 2020)
Charity number	1159622	
Company number	09268124	
Registered office	Truro School Trennick Lane TRURO Cornwall TR1 1TH	
Auditor	RRL LLP Peat House Newham Road TRURO Cornwall TR1 2DP	
Bankers	Barclays Bank Plc 1 Churchill Place LONDON E14 5HP	
Solicitors	Foot Anstey LLP High Water House Malpas Road TRURO Cornwall TR1 1QH	

CORNWALL MUSIC SERVICE TRUST

CONTENTS

	Page
Trustees report	1 - 11
Statement of Trustees responsibilities	12
Independent auditor's report	13 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 30

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their report and financial statements for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "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 2016)"

Objectives and activities

Charitable Objects (for the Public Benefit)

- to advance education within the framework of the arts for the benefit of the public of Cornwall and elsewhere
- to advance the arts and culture for the benefit of the public, particularly but not exclusively by promoting and facilitating access to and performance of music and other art forms
- to provide for the recreation of children, young people and adults for the benefit of the public by providing facilities and services to them in the interests of social welfare with the object of improving their conditions of life.
- to promote and provide for the public benefit music therapy for the relief of physical and mental illness and disability, the alleviation of developmental, emotional, social and behavioural difficulties and the protection and promotion of good health in children and adults, in particular, but not exclusively, in Cornwall and the Isles of Scilly.

Aims

Our Vision

We aspire to become a leading Music Service in the United Kingdom.

Our Mission

To offer high quality music and performing arts education and related opportunities that support the aspirations of children, young people and adults in Cornwall and beyond.

Our Values

Our work will be guided by our commitment to the following values:

Quality: We strive for excellence through continuous improvement in all areas of our work.

Inclusiveness: We respect people, value diversity and are committed to equality and open access.

Inspiration: We encourage imaginative and creative approaches in our activities.

Innovation: We welcome new developments and their application in music education.

Health and Wellbeing: We believe in the health and wellbeing benefits of engagement with music.

Caring: We believe in an understanding and compassionate ethos for our staff, students and all those we engage with.

Collaboration: We foster strong partnerships and links with other organisations and individuals.

Enjoyment: We see this as one of the hallmarks of our success.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Our broad objectives can be grouped as follows:

Learner Experience

- Identify and nurture talent of all abilities across all levels and stages, from learners that are just embarking on their first musical experiences to those who are exceptionally gifted and talented and demonstrate high levels of excellence
- Be inclusive; to reach all learners including those that are socially, educationally, geographically, physically or financially challenged
- Ensure that our curricula are ethnically and culturally diverse and inclusive
- Develop a range of formal and non-formal teaching methods that engage and encourage all learners
- Provide exciting and engaging performance opportunities
- Support and develop an Ensemble Network for instrumental and vocal performers (including adult learners)
- Provide and signpost opportunities for progression
- Develop a formal annual reporting system to facilitate feedback to students and their parents/carers
- Develop a system of bursaries to support the Learner Experience

Partnership with Educational Establishments

- Support educational establishments in recognising the value of music
- Exercise our influence in the provision of suitable environments for musical activities
- Engage, where possible with the latest research and development in music education
- Promote partnerships with a wide range of organisations including schools, colleges, universities, conservatoires and wider educational establishments
- Encourage dialogue with the informal and independent teaching sector, especially with the aim of promoting good teaching practice and teacher development

Service Development

- Develop an Early Years Music Strategy
- Develop a Vocal Strategy
- Develop a sustainable First Access programme
- Maintain a strong working relationship with Cornwall Music Education Hub, whilst being prepared for changes in national policy
- Make bids and applications for grant funding to other organisations with a view to increasing or enhancing our services
- Explore working with other performing art forms
- Maintain and develop Music Therapy

Organisational Framework

- Maintain a financially sustainable organisation
- Provide a safeguarded teaching environment that protects learners and teachers
- Develop a Quality Assurance Strategy
- Develop a robust system for staff appraisal and development
- Develop our Health and Wellbeing Strategy
- Identify and provide opportunities for developing the skills of Trustees and the effectiveness of the Board of Trustees
- Make best use of appointed advisers and friends scheme

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Activities

Cornwall Music Service Trust provides music education for in excess of 10,000 pupils across all key stages and including further and higher education.

Cornwall Music Service Trust devotes significant time and resources to engagement with the local community, further details of which are given in the Public Benefit section below.

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Bursary and Grant Making Policy

Access to music education we offer should not be restricted to those who can afford our fees. As a registered provider for the Cornwall Music Education Hub, an arm of Cornwall Council, Cornwall Music Service Trust can offer subsidised activities to those children currently eligible for means tested free school meals, children currently in care, children with one or more parents serving in the British Armed Forces, children or a parent in receipt of Disability Living Allowance and children with a Statement of Special Educational Needs. In addition Cornwall Music Service Trust offers, on an application and audition basis, an award scheme to those children who, at all levels, show exceptional talent. A successful candidate will be entitled to a subsidised one to one lesson funded internally by Cornwall Music Service Trust.

Volunteers

Three working groups of volunteers have been established by the Board of Trustees these being: Funding Working Group - established to look at all aspects of fundraising including potential funding opportunities from external bodies and working within the Terms & Conditions set by the Board of Trustees. Advisory Panel - a panel of educators, musicians etc. that can be called upon for external advice to support and aid the Board of Trustees and Head of Service. Early Years Steering Group - following its objectives and aims, Cornwall Music Service Trust has embarked on an Early Years Music Service for 0-5s. To effectively implement this delivery CMST has called upon and will continue to draw upon the expertise of many Early Years practitioners.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance

In previous years the Trustees annual report consisted of a detailed note on activities that have happened during the course of the reporting year and those that are planned. With the 2019/2020 being such an unprecedented year this report will take a different approach.

The 2019/2020 academic, and for Cornwall Music Service Trust (CMST) financial year started with a substantial review and consultation of the management structure for the organisation. In addition new exclusivity clauses were factored into a proposed new contract so as to protect the business of CMST for the future.

It was deemed the pre-existing structure, with heads of department for brass, woodwind, strings etc. was now not serving the business demands of the Trust. The rural implications of Cornwall and subsequent reach of the Trust and the value of inclusivity was not fully being addressed. After much national research, consultation with staff, partners and key stakeholders (notably Cornwall Council and the Cornwall Music Education HUB) a decision was made to move to an area based management structure with supporting cross service and instrumental lead roles.

All new management roles were advertised internally and externally and the personnel and the respective appointments are detailed below.

Name	Surname	Role	Area
AREA LEADS			
Christine	Judge	Area 1	Penwith
Verena	Watkiss	Area 2	Kerrier
Sara	Munns	Area 3	Carrick
Matt	Harrison	Area 4	Restormel
Georgina	Bridle	Area 5	North Cornwall
Sally	Holden	Area 6	South East Cornwall
CROSS SERVICE LEADS			
Steve	Clifford	First Access	
Karen	Frost	Staff Welfare & Professional Development	
Janet	Elston	Ensemble & Progression	
Steve	Hawker	Inclusion	
Andy	Bilham	Jazz 1	
James	Robinson	Jazz 2	
Jamie	Toms	Rock, Pop & Folk	
INSTRUMENTAL LEADS			
Jenny	Crow	Classroom Support	
Jax	Kershaw	Brass	
Rebecca	Sampson	Woodwind	
Cheryl	Brendish	Vocal	
James	Robinson	Percussion	
Andy	Bilham	Keyboard	
Jamie	Toms	Guitar	
Phil	Montgomery-Smith	Strings	

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

EARLY YEARS MUSIC EDUCATION LEAD

Ann Stott

MUSIC THERAPY PROFESSIONAL LEAD

Liz Eddy

The new structure and roles were implemented in January 2020, along with revised contracts for all staff, with all partners and key stakeholders informed. At the end of March the COVID-19 pandemic took hold and subsequently the majority of the CMST staff workforce were furloughed through the Coronavirus Job Retention Scheme for the period the 1st of April through until the 30th of August 2020.

Schools and certain settings did remain open for children of key worker parents and consequently some music education support was offered by way of taking certain staff off furlough. This was really an attempt to help support the settings and children therein to engage with a creative practice not driven by any business or financial gain.

The Head of Service, Finance Manager and one of the Administration staff were not furloughed as there were still various administrative duties to attend too. The Head of Service managed to secure some much needed funding to help support the ongoing core costs. In addition the Board of Trustees agreed to top up salary payments to staff so that they still received 100% of their wages as if CMST was at normal trading capacity.

The Trustees would like to extend their sincere thanks to many local charities that supported Cornwall Music Service Trust in the initial period of the pandemic. These include:

- Duchy Health Charity
- Cornwall Community Foundation

In addition to these local funding streams CMST has managed to secure funding and finance through the following mechanisms:

- Coronavirus Business Interruption Loan Scheme £210,000
- Cultural Regeneration Fund Grant £248,950

Through these measures, accompanied by close governance by the Board of Trustees, CMST has developed and implemented a financial resilience plan that will see the Trust sustained until September 2021.

The pandemic has had many affordances for CMST. A key area of development is the MusicEL platform that aims to complement the current service provision of CMST with a blended online option for those wishing to access it. This in addition to the revised structure will see the inclusive approach by CMST enhanced and developed further.

In regards to the new management structure; if this was not in place then the logistical challenges of reintegrating CMST staff back into settings and partial reinstatement of provision would not have been achieved as already has been. Furthermore and looking to the future these key management roles will be critical to the success of enhancing pupil numbers back to a level previously enjoyed.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

From September 2020 a partial reopening of service provision was deployed but with very mixed responses from service users. Some settings were happy to welcome music lessons to resume where others kept their "doors shut" to all external visiting providers. Trading income was severely reduced and in January 2021 a full lockdown meant that CMST had to revert to online provision only again severely impacting the trading income of the organisation.

Plans to offer a large music summer school with a mixed approach of Cornwall wide activities with more local area events are being planned for August 2021. Through the increased use of online activities partnerships have been forged with plans for future activities with organisations such as the Royal Welsh College of Music and Drama, The Association of Independent Music Services, The Cornwall International Male Choral Festival and Trinity College London. Furthermore the ability for the area teams to connect over the various lockdown periods has forged working relationships sooner than would have happened in normal circumstances.

Fundraising and Development

The work towards increasing the development and fundraising activity within Cornwall Music Service Trust enables the fulfilment of its charitable objectives.

No professional fundraisers are used.

The Charity always adheres to best practice when working with vulnerable children and adults. Its safeguarding policy covers all areas of the Charity's activities including any fundraising activities.

Financial review

The Company's principal source of income is music tuition fees. All of Cornwall Music Trust's expenditure was spent in advancement of its charitable objectives.

The net outgoing resources for the year were £21,938 (2019: Incoming resources £144,379).

Reserves Policy

The reserves policy of Cornwall Music Service Trust has been reviewed by the Board of Trustees during the year. Free reserves are regarded as those unrestricted funds that have not been designated for any specific purpose. At 31 August 2020 the Company had free reserves of £45,845.

The Board of Trustees have carefully considered the level of reserves appropriate to be held by Cornwall Music Service Trust necessary for contingencies and movements in working capital. Having regard to the likelihood of financial risks and mitigating factors including its group structure, it considers the maximum level of free reserves required to be the equivalent of 2 months of gross salary costs, approximately 17% of turnover. The trustees aim is to increase this to 4 months of gross salaries in the light of the effects of the Covid-19 pandemic.

The Board of Trustees have passed this proposal and Cornwall Music Service Trust is working towards accumulating the free reserves aforementioned.

The Trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

Cornwall Music Service Trust through its Business Plan Development has undertaken a SWOT and PEST analysis. The 'threat' element which will be relevant to principal risks and uncertainties, has identified the following:

Political

- The general election in 2015 did not see change of national government, however change of policy (including funding to the Department of Education) may have a detrimental effect.
- "The Importance of Music Education: A National Plan for Music Education" is a long term vision until 2020
- Possible perception amongst other CMEH providers of bias towards CMST.
- Lack of tangible support from Cornwall Council
- Brexit may lead to political changes which at the moment are unclear
- No decision on CMEH funding has been confirmed past March 2020

Economic

- Cornwall is a deprived area according to the European Union definition.
- Cornwall has a high reliance on self-employment, leading to non-entitlement to benefits and financial hardship.
- Delayed or non-payment by parents/carers and/or schools.
- Delayed or non-payment by Cornwall Music Education Hub.
- Failure to win business from schools, CMEH or parents
- Removal of national funding for Music Education Hub programme.
- Central government cuts to budgets may require schools/other establishments to stop goodwill use of facilities.
- Cherry-picking of business by other providers
- Brexit creates uncertainty leading to reduction in funding opportunities available

Social

- Loss of goodwill due to incident or accident
- The peripherality and geography of Cornwall (distance to conservatoires etc)

Technological

- Technological failure (delivery or administrative)
- Cost of equipment for digital music provision
- Cost of buying and maintaining instruments
- Lack of ownership of suitable instruments for specialist ensembles

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for Future Periods

Cornwall Music Service Trusts "Potential Future Activities" (detailed in its Business Plan), as drawn up by the Senior Management Team, after consultation with the key stakeholders, and as approved by the Board of Trustees, provides the focus for the future development of Cornwall Music Service Trust. In particular, the future activities embrace the aspirations of Cornwall Music Service Trust for teaching developments, the growth of marketing, pupil numbers, enhanced staffing and the development of its delivery.

- Expand current delivery to outreach to further educational establishments and other organisations
- Create a strong cohesion with Truro School thus providing a Music Centre for Cornwall
- Explore & develop Music Technology education and digital music provision
- Create an internal assessment programme for students for all musical disciplines
- Provide a highly professional service to schools, Further Education and Higher Education and the wider community
- Work closely with national and international musicians, educators, conductors and clinicians to provide the highest quality masterclasses and holiday music schools
- Explore funding for bespoke programmes of work
- Create an e-learning environment to support the initial stages of music education
- Develop Early Years Music Provision and Training for Early Years practitioners
- Nationwide consultancy on Music Service Trust Formation
- Online delivery via Skype and Online Orchestra software in collaboration with Falmouth University to provide delivery to the hardest to reach areas and connect musicians that are isolated
- Bespoke workshops and projects for schools and the wider community.
- Weekend and evening workshops, etc – ie – Saturday morning theory classes
- Summer school and holiday courses
- Digital technology projects
- Performance opportunities at all levels; large scale and smaller settings - CMST cluster performances - bring groups of schools together for a massed performance.
- CMST Schools Prom - An annual performance to all primary schools using CMST ensembles giving an educational experience and demonstration encouraging new young people to learn
- Advice on purchase of musical instruments and resources in school
- One off supply days - music cover

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

- Write new performance and teaching material - this could be for individual instruments or for small ensembles. It could then be sold to pupils both in Cornwall and elsewhere as CMST Publications.
- Twilight training sessions for teachers on a whole variety of musical techniques, skills and tasks. This might include setting up an ensemble, conducting skills, composition starting points, working towards a performance
- CPD presentations to Primary and Secondary Initial Teacher Training bodies - annual
- Secondary Head of Music Departments meetings and conferences
- Make the Cornwall Youth Jazz Festival an annual event
- Make the Cornwall Horn Festival an annual event
- Develop and expand Music Therapy provision
- Longer term; to look for funding to establish 'Music Centres' in the West and North & East of Cornwall along with collaborating with Truro School to find a central Music Centre
- After establishment of Music Centres appoint Area Managers to coordinate delivery in these areas
- Review management structure of CMST
- Review business plan and 5 year financial forecast in line with the above future plans as an ongoing activity
- Create a strong partnership with the City of London Symphonia including support in delivering their educational outreach programme
- Work closely and advise Trinity College of London or another national Music College on various aspects of delivery including but not exclusively the research element into the examination process and an online alternative
- Advise nationally on Early Years Music Education

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on the 16 October 2014 and registered as a charity on 15 December 2014. The company 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. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Governing Body

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Board of Trustees are elected to serve for a period of three years after which they must be re-elected at the next General Meeting. All members of the Board of Trustees give their time voluntarily and received no benefits from the charity. As Cornwall Music Service Trust has many roles to play in the educational sector the Trustees have been selected for the wide and diverse skill base they have to offer. In an effort to maintain this broad skill mix, members of the Board of Trustees are requested to provide a list of their skills (and update it each year) and in the event of particular skill being lost due to retirements, individuals are approached to offer themselves for election to the Board of Trustees.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

D Fryer	
A Gordon-Brown	
R Thomas	
A Retallack	
P Kneebone	
J Bailey	
W Walker	(Resigned 12 September 2019)
J Sargent	(Resigned 2 March 2020)
B Wade	
D Solly	
E Sibley	(Appointed 30 September 2019)
JA Scarborough	(Appointed 30 September 2019)
A Johnson	(Appointed 2 November 2020)
J Conboye	(Resigned 12 September 2019)

Recruitment and Training of Trustees

Trustees are nominated and appointed by the Board of Trustees. Appointments are for a period of three years which is renewable. The induction of new Trustees is the responsibility of the Chair and the Head of Service. All trustees, due to the nature of the work of Cornwall Music Service Trust, have enhanced Disclosure & Barring Service checks and are routinely updated on Safeguarding for Children and Vulnerable Adults.

Two new Trustees were appointed during the year.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Organisational Structure

The Board of Trustees for Cornwall Music Service Trust, which meets at least three times a year, are responsible for the general policy and strategic direction of Cornwall Music Service Trust. In addition the Board of Trustees are legally responsible for the overall management and control of Cornwall Music Service Trust. The work of implementing most of their policies and day to day management is delegated to the Head of Service, supported by his Senior Team Managers. At present there are 10 Trustees from a variety of professional backgrounds relevant to the work of Cornwall Music Service Trust who form the Board of Trustees. A Clerk to the Board of Trustees, who is not a Trustee, is responsible for ensuring timely agendas and accurate minutes for all Trustee meetings under the guidance of the Chair of Trustees and Head of Service.

National benchmarking is used in setting pay for key management personnel but always with the Charity's affordability in mind.

CORNWALL MUSIC SERVICE TRUST

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Related Parties

CMST will partner with a number of local organisations. These include the following:

Cornwall Music Education Hub for curriculum leadership, ensemble leadership, ensemble coordination, ensemble staffing, first access management and liaison, first access provision and minority instrument scheme delivery. Cornwall Council Local Authority for SEN delivery and inclusion delivery (disadvantaged families remissions funded). Cornwall's Schools for ensemble support, classroom support and curriculum delivery. Further Education Colleges & Higher Education Institutions for strategic links for service development and training of music teachers

Employee involvement

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Disabled persons

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

In accordance with the company's articles, a resolution proposing that RRL LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report, including the strategic report, was approved by the Board of Trustees.

D Fryer

Trustee

Dated: 26 April 2021

CORNWALL MUSIC SERVICE TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees, who are also the directors of Cornwall Music Service Trust for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CORNWALL MUSIC SERVICE TRUST

Opinion

We have audited the financial statements of Cornwall Music Service Trust (the 'charity') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charity'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees report have been prepared in accordance with applicable legal requirements.

CORNWALL MUSIC SERVICE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CORNWALL MUSIC SERVICE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees report.

We have nothing to report in respect of the following matters in relation to which the 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.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity'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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Mark Williams (Senior Statutory Auditor)
for and on behalf of RRL LLP

28 April 2021

Chartered Accountants
Statutory Auditor

Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

CORNWALL MUSIC SERVICE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Notes							
Income and endowments from:							
Donations and legacies	3	468,625	16,430	485,055	40,507	21,150	61,657
Charitable activities	4	942,927	-	942,927	1,511,756	-	1,511,756
Investments	5	704	-	704	236	-	236
Other income	6	43,217	-	43,217	37,532	-	37,532
Total income		1,455,473	16,430	1,471,903	1,590,031	21,150	1,611,181
Expenditure on:							
Charitable activities	7	1,491,623	2,218	1,493,841	1,464,602	2,200	1,466,802
Net (expenditure)/income for the year/ Net movement in funds		(36,150)	14,212	(21,938)	125,429	18,950	144,379
Fund balances at 1 September 2019		388,155	48,950	437,105	262,726	30,000	292,726
Fund balances at 31 August 2020		352,005	63,162	415,167	388,155	48,950	437,105

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CORNWALL MUSIC SERVICE TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	13		714		845
Tangible assets	14		4,191		4,504
			<u>4,905</u>		<u>5,349</u>
Current assets					
Debtors	15	173,595		348,662	
Cash at bank and in hand		487,533		259,932	
		<u>661,128</u>		<u>608,594</u>	
Creditors: amounts falling due within one year	17	(47,866)		(176,838)	
Net current assets			613,262		431,756
Total assets less current liabilities			618,167		437,105
Creditors: amounts falling due after more than one year	18		(203,000)		-
Net assets			<u>415,167</u>		<u>437,105</u>
Income funds					
Restricted funds	20		63,162		48,950
<u>Unrestricted funds</u>					
Designated funds	21	306,160		306,160	
General unrestricted funds		45,845		81,995	
		<u>352,005</u>		<u>388,155</u>	
			<u>415,167</u>		<u>437,105</u>

The financial statements were approved by the Trustees on 26 April 2021

D Fryer
Trustee

Company Registration No. 09268124

CORNWALL MUSIC SERVICE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	26		17,239		93,000
Investing activities					
Purchase of tangible fixed assets		(342)		(5,291)	
Interest received		704		236	
Net cash generated from/(used in) investing activities			362		(5,055)
Financing activities					
Receipt of bank loans		210,000		-	
Net cash generated from/(used in) financing activities			210,000		-
Net increase in cash and cash equivalents			227,601		87,945
Cash and cash equivalents at beginning of year			259,932		171,987
Cash and cash equivalents at end of year			487,533		259,932

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Company information

The charitable company is incorporated in England and Wales and is limited by guarantee and does not have a share capital. In the event of the Company being wound up each member is liable to contribute a sum not exceeding £1. There were 10 members at 31 August 2020 (2019: 11).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Resources expended are accounted for on an accruals basis, inclusive of irrecoverable VAT. Costs of generating funds are those costs incurred in attracting voluntary income. Charitable activities comprise expenditure associated with teaching and school activities and include both direct and support costs.

Governance costs are those incurred in the governance of the charity and its assets and are associated with constitutional and statutory requirements.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	33% straight line
---------	-------------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Instruments	25% straight line
Computer equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

As the company is a registered charity, it is exempt from corporation tax.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations and gifts	23,292	-	23,292	40,507
Grants receivable	445,333	16,430	461,763	21,150
	<u>468,625</u>	<u>16,430</u>	<u>485,055</u>	<u>61,657</u>
For the year ended 31 August 2019	<u>40,507</u>	<u>21,150</u>		<u>61,657</u>
Grants receivable for core activities				
Arts Council National Lottery Fund - Dalla Project	-	13,430	13,430	-
Duchy Health Charity - E Learning	5,000	-	5,000	-
Covid-19 Response	4,955	-	4,955	-
Government grants	425,378	-	425,378	-
Cornwall Council grant	10,000	-	10,000	-
Cornwall Community Foundation - E Learning	-	3,000	3,000	-
Other	-	-	-	21,150
	<u>445,333</u>	<u>16,430</u>	<u>461,763</u>	<u>21,150</u>

HMRC - a grant has been received for £425,378 (2019:Nil) to help with the furloughed staff whilst in a nationwide lockdown due to COVID-19.

Cornwall Council - a grant has been received for £10,000 (2019: Nil). The local restrictions support grant has been issued to help businesses during the national lockdown and COVID-19 outbreak.

Duchy Health Charity - a grant has been received for £5,000 (2019: Nil) to be spent in relation with the E learning website.

Cornwall Community Fund - a grant has been received for £3,000 (2019: Nil) to be spent in relation with the E learning website.

COVID-19 Response - a grant has been received for £4,955 (2019: Nil) to be spent in relation to music therapy provided by the National Lottery.

4 Charitable activities

	2020 £	2019 £
Music tuition fees	<u>942,927</u>	<u>1,511,756</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

5 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Interest receivable	704	236

6 Other income

	2020 £	2019 £
Other income	43,217	37,532

7 Charitable activities

	2020 £	2019 £
Staff costs	1,399,233	1,364,691
Depreciation and impairment	655	1,043
Other teaching costs	14,029	21,441
Premises costs	9,116	15,933
Charitable publicity	936	6,340
Finance costs	2,180	1,124
Bad debts written off	(10,000)	-
Amortisation	131	615
	1,416,280	1,411,187

Share of support costs (see note 9)	70,938	52,715
Share of governance costs (see note 9)	6,623	2,900

Analysis by fund

Unrestricted funds	1,491,623	1,464,602
Restricted funds	2,218	2,200
	1,493,841	1,466,802

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

7 Charitable activities

	Unrestricted Fund £	Restricted Fund £	2020 £	2019 £
Staff costs	1,397,015	2,218	1,399,233	1,364,691
Depreciation and impairment	655	-	655	1,043
Other teaching costs	14,029	-	14,029	21,441
Premises costs	9,116	-	9,116	15,933
Charitable publicity	936	-	936	6,340
Finance costs	2,180	-	2,180	1,124
Bad debts written off	(10,000)	-	(10,000)	-
Amortisation	131	-	131	615
	<u>1,414,062</u>	<u>2,218</u>	<u>1,416,280</u>	<u>1,411,187</u>
Share of support costs (see note 9)	70,938	-	70,938	52,715
Share of governance costs (see note 9)	6,623	-	6,623	2,900
	<u>1,491,623</u>	<u>2,218</u>	<u>1,493,841</u>	<u>1,466,802</u>
For the year ended 31 August 2019				
Unrestricted funds	-	-		1,464,602
Restricted funds	-	-		2,200
	<u>-</u>	<u>-</u>		<u>1,466,802</u>

9 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Support costs	68,598	-	68,598	50,855	-	50,855
Non-audit remuneration - taxation services	2,340	-	2,340	1,860	-	1,860
Audit fees	-	2,950	2,950	-	2,900	2,900
Legal and professional	-	3,673	3,673	-	-	-
	<u>70,938</u>	<u>6,623</u>	<u>77,561</u>	<u>52,715</u>	<u>2,900</u>	<u>55,615</u>
Analysed between Charitable activities	<u>70,938</u>	<u>6,623</u>	<u>77,561</u>	<u>52,715</u>	<u>2,900</u>	<u>55,615</u>

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

11 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2020 £	2019 £
Audit of the annual accounts	2,950	2,900
Non-audit services		
All other non-audit services	6,478	10,588

12 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Teaching	114	114
Administration	3	4
Total	117	118

Employment costs	2020 £	2019 £
Wages and salaries	1,278,261	1,248,864
Social security costs	76,722	72,369
Other pension costs	44,250	43,458
	1,399,233	1,364,691

There were no employees whose annual remuneration was £60,000 or more.

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

13 Intangible fixed assets

	Website £
Cost	
At 1 September 2019 and 31 August 2020	3,360
Amortisation and impairment	
At 1 September 2019	2,515
Amortisation charged for the year	131
At 31 August 2020	2,646
Carrying amount	
At 31 August 2020	714
At 31 August 2019	845

14 Tangible fixed assets

	Instruments £	Computer equipment £	Total £
Cost			
At 1 September 2019	4,361	2,397	6,758
Additions	-	342	342
At 31 August 2020	4,361	2,739	7,100
Depreciation and impairment			
At 1 September 2019	176	2,078	2,254
Depreciation charged in the year	383	272	655
At 31 August 2020	559	2,350	2,909
Carrying amount			
At 31 August 2020	3,802	389	4,191
At 31 August 2019	4,185	319	4,504

15 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	173,595	322,441
Corporation tax recoverable	-	26,221
	173,595	348,662

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

16 Loans and overdrafts

	2020 £	2019 £
Bank loans	210,000	-
Payable within one year	7,000	-
Payable after one year	203,000	-
Amounts included above which fall due after five years:		
Payable by instalments	163,334	-
Payable other than by instalments	39,666	-
	203,000	-

The long-term loan is secured by way of a debenture over fixed and floating assets of the charity.

The loan is repayable by instalments after a 12 month repayment holiday and interest charged at 3.19%.

17 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	16	7,000	-
Other taxation and social security		27,248	18,737
Trade creditors		9,588	-
Other creditors		4,030	158,101
		47,866	176,838

18 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	16	203,000	-

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £44,250 (2019: £43,458).

Included in creditors at the year end was £Nil (2019: £Nil) in respect of the defined contribution pension scheme.

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 September 2018	Incoming resources	Resources expended	Balance at 1 September 2019	Incoming resources	Resources expended	Balance at 31 August 2020
	£	£	£	£	£	£	£
Cornwall Community Fund - E Learning	-	-	-	-	3,000	-	3,000
Arts Council - Early Years - Dalla Project	-	-	-	-	13,430	(2,218)	11,212
Early Years Music Education	30,000	-	-	30,000	-	-	30,000
West Cornwall Youth Trust	-	2,000	(2,000)	-	-	-	-
Children in Need	-	8,950	-	8,950	-	-	8,950
MusicNet East	-	10,000	-	10,000	-	-	10,000
Cornwall Council	-	200	(200)	-	-	-	-
	<u>30,000</u>	<u>21,150</u>	<u>(2,200)</u>	<u>48,950</u>	<u>16,430</u>	<u>(2,218)</u>	<u>63,162</u>

Details of the purpose of the restricted funds is as follows:

Early Years Music Education: Donation from James Sargent (Trustee) for Early Years Music Education Service

Children in Need: Funding for the provision of Music Therapy primarily for children in hospital

MusicNet East: Funding to provide band based music project at Falmouth School for children in challenging circumstances

Arts Council Early Years - Dalla Project: Funding from National lottery fund for Early Years Music.

Cornwall Community Foundation: Funding for E-Learning website

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 September 2018 £	Transfers £	Balance at 1 September 2019 £	Movement in funds Incoming resources £	Balance at 31 August 2020 £
Deficit reserve	200,000	100,000	300,000	-	300,000
Mark Wilkin Memorial Bursary	6,160	-	6,160	-	6,160
	<u>206,160</u>	<u>100,000</u>	<u>306,160</u>	<u>-</u>	<u>306,160</u>

The deficit reserve has been earmarked by the trustees to cover staff salaries for the period of 2 months should there be temporary drop in income.

22 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 August 2020 are represented by:						
Intangible fixed assets	714	-	714	845	-	845
Tangible assets	4,191	-	4,191	4,504	-	4,504
Current assets/ (liabilities)	550,100	63,162	613,262	382,806	48,950	431,756
Long term liabilities	(203,000)	-	(203,000)	-	-	-
	<u>352,005</u>	<u>63,162</u>	<u>415,167</u>	<u>388,155</u>	<u>48,950</u>	<u>437,105</u>

23 Operating lease commitments

Payments in connection with operating leases during the year totalled £9,116 (2019: £15,933). At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	<u>13,674</u>	<u>13,674</u>

CORNWALL MUSIC SERVICE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

24 Related party transactions

No Trustees was reimbursed for expenses in the year (2019: Nil).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	93,557	81,587

25 Analysis of changes in net funds

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	259,932	227,601	487,533
Loans falling due within one year	-	(7,000)	(7,000)
Loans falling due after more than one year	-	(203,000)	(203,000)
	259,932	17,601	277,533

26 Cash generated from operations

	2020 £	2019 £
(Deficit)/surplus for the year	(21,938)	144,379
Adjustments for:		
Investment income recognised in profit or loss	(704)	(236)
Amortisation and impairment of intangible assets	131	615
Depreciation and impairment of tangible fixed assets	655	1,043
Movements in working capital:		
Decrease in debtors	175,067	18,252
(Decrease) in creditors	(135,972)	(71,053)
Cash generated from operations	17,239	93,000