

Registered number: 05464855  
Charity number: 1110639

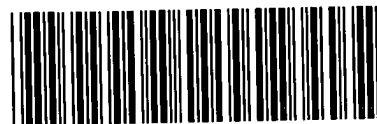
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**KENT MUSIC**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**KENT MUSIC**  
(A company limited by guarantee)

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**KENT MUSIC**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES (AT THE DATE OF  
APPROVAL OF THE FINANCIAL STATEMENTS) AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Trustees (at the date of approval of the financial statements)**

**Company registered number**

05464855

**Charity registered number**

1110639

**Registered office**

24 Turkey Court, Turkey Mill  
Ashford Road  
Maidstone  
Kent  
ME14 5PP

**Chief executive officer**

Peter Bolton

**Chief operating officer**

Sally Law (appointed 1 Dec 2020)

**Independent auditor**

Crowe U.K. LLP  
Riverside House  
40 - 46 High Street  
Maidstone  
Kent  
ME14 1JH

**Patron**

Jools Holland OBE

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**KENT MUSIC**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Trustees present their annual report together with the audited financial statements of the Kent Music for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

**Structure, governance and management**

**Constitution**

Kent Music is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The Charity is registered as a charitable company limited by guarantee, incorporated on 26 May 2005 and registered as a charity on 29 July 2005. The charity took over the assets and liabilities of Kent Music School on 1 September 2005. Kent Music School was registered as a charity on 20 November 1969.

The Charity was created under a memorandum of association which established the objects and powers of the charity and is governed under its articles of association.

**Methods of appointment or election of Trustees**

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the articles of association.

Kent Music is keen to ensure that its board of trustees includes a broad base of skills and representations. The method adopted for the recruitment and appointment of new trustees is that vacancies are advertised and applications are invited. Shortlisted candidates are interviewed by the chair and another trustee.

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**KENT MUSIC**  
**(A company limited by guarantee)**

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**· TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

**Trustees**

The Trustees that served during the year are as follows:

Geoff Miles, Chair  
Tim Leates  
Sarah Hohler (appointed by Kent County Council)  
Francesca Christmas  
James Williams (resigned 25/06/2021)  
Paul Danielsen (resigned 25/06/2021)  
Robin Hammerton  
Elizabeth Topiwala  
Geoffrey Lymer (appointed by Kent County Council) (resigned 25/06/2021)  
Lesley-Ann Smith  
Kyle Siwek  
Alicia Moyles  
Jessica Cooling  
Rebecca Evernden  
Sarah Hamilton (appointed by Kent County Council) (appointed 24 September 2021)

**Organisational structure and decision-making policies**

The board of trustees of up to 14 members meets 4 times a year to administer the Charity. A chief executive is appointed by the trustees to manage the day to day operations of the charity. There is an executive committee of trustees, which also acts as the audit committee which meets to support the chief executive and leadership team on matters concerning the day-to-day running of the organisation.

Induction training for new trustees is provided and they are also offered the opportunity to attend other relevant training courses.

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**KENT MUSIC**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

**Policies and objectives**

The purposes of the charity (the objects) shall be the promotion of the performing arts in all its forms and in particular music and for this purpose to provide education, tuition and activities for the benefit of the public generally, principally within the County of Kent and the Unitary Authority of Medway.

**Mission Statement**

Kent Music is an education charity that develops musical opportunities to support the aspirations of children, young people, adults and teachers in Kent.

**Values**

Anticipating, valuing and supporting diversity and difference.

Maintaining high expectations for all learners and staff

Understanding the needs of children and young people

Reducing barriers to engagement

Keeping creativity at the heart of our thinking

Kent Music is funded by Kent County Council to provide out of school music centres, county level ensembles and choirs and an annual summer school. The organisation is also funded by Arts Council England as the lead partner of the music education hub for Kent. In this role Kent Music works with partners to provide music education services to children aged 5 to 18.

The vision and values are lived through a business plan. In the business plan 2021-24 there are three core objectives:

1. To provide access to instrumental and vocal teaching across Kent.
2. To provide access to a broad range of out-of-school music activities across Kent.
3. To create the conditions where music thrives in schools in Kent.

**Pay policy for key management personnel**

The board of Trustees review the pay and benefits for all staff once per year.

The pay for senior staff is based on industry benchmarks.

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**KENT MUSIC**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Plans for future periods**

A new business plan is in development to start in September 2021. The plan will draw on the experience of the 2020/21 academic year to plot a path to recovery and into a period of growth. The focus of the plan will be on four core aims: providing instrumental & vocal tuition to as many students as possible across the county; providing students access to a broad range of out-of-school music activities; creating the conditions where music thrives in Kent schools; supporting and developing the workforce. These core aims will be supported by plans for inclusion, youth voice, partnership working, income generation, communication and digital technology.

**Achievements and Performance**

**Review of activities**

The effects of the Covid-19 pandemic continued to affect Kent Music throughout 2020/21. Tuition did not take place in most schools throughout the year and students continued to be taught online. By the end of the academic year the number of "directly registered" students was nearly 700 compared to 1,100 before the start of the pandemic.

No whole class instrumental teaching took place in schools during the academic year and in its place additional training was devised for teachers.

Music centres remain closed throughout the year because schools where the music centres were either closed or not allowing after school bookings.

The Kent Youth Wind Orchestra met for a few sessions at Christmas before a lockdown of venues meant that the course had to be abandoned part way through and the Kent Youth Choir and Kent County Youth Orchestra courses scheduled for the Christmas holidays had to be cancelled.

During the winter a Winter Festival was put together as a showcase for music in schools in Kent. Videos were produced on Kent Music's YouTube channel and demonstrated the diversity of music across the county. During the Easter vacation some county ensemble and choir rehearsals took place and by the end of the summer term some schools were starting to open up for tuition.

The Kent Music Summer School took place as planned in July and August 2021. Advanced bookings were higher than for the 2019 summer school and 309 people attended across three weeks and eight courses. All courses gave a final video performance that was shared with friends and family.

The county ensembles and choirs met during July and August on residential courses. They all gave video performances at the end of their courses that were shared with friends and family.

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**KENT MUSIC**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Achievements and Performance (continued)**

**Review of activities continued**

A priority was given to maintaining the employment of staff during the pandemic and with the support of Arts Council England, Kent County Council and the government's job retention scheme all staff remained employed throughout.

During the summer of 2020 a restructuring of senior management took place to create capacity to focus on improving compliance and operational management. This resulted in the creation of a new chief operating office post. The post holder was appointed during the autumn of 2022.

During the year the charity worked with Kent County Council on plans to *move* to a new development in Ashford which will enable the administration and storage accommodation to be amalgamated onto one site for the first time in many years. The move to Ashford is planned for September 2022.

A business planning exercise took place during the spring and summer of 2021 focussing the organisation on three core objectives: to provide access to instrumental and vocal teaching across Kent; to provide access to a broad range of out-of-school music activities across Kent; to create the conditions where music thrives in schools in Kent.

Running through the business plan will be a commitment to equity, diversity & inclusion, youth voice, continuous professional development and partnership working.

**Going concern**

The accounts have been prepared on a going concern basis. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

During the preparation of these accounts the COVID-19 crisis is still prevalent and new variants continue to appear. However contrary to financial year ended 2021, schools have remained open since the beginning of the Autumn term in 2021. This has allowed us to continue to recover our tuition, and whilst we are not yet back to our pre-pandemic levels our student numbers are increasing.

KCC will continue to support the charity with a grant at the same level as the previous year of £204,000, which will cover to period to 31st March 2023.

Arts Council England (ACE) have confirmed that the overall funding to Music Hubs will remain unchanged. The funding from ACE to Hubs is based on population of children aged 5-18 and whilst we have not yet received detailed confirmation of this funding for Kent Music we do not expect these population criteria to have any impact. This funding will also cover the period to 31st March 2023.

Kent Music took advantage of flexibility offered in the current year to use grant income in certain instances to cover overheads given the unprecedented circumstances. These two grants account for 79% of overall current income.

Cash at bank as at 31st August 2021 was £1,539,997. With grants in place the only unpredictable income risk relates to the level of recovery of tuition. Taking this into account we would anticipate that we have more than enough cash to cover any eventuality.



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**KENT MUSIC**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Financial review**

**Reserves policy**

In recent years the Board has been able to build up a reserve of £2,573,096 which includes an endowment fund of £333,694 and restricted funds of £1,315,823. Also included in the overall reserves figure is a Pensions reserve liability of £476,000.

Below is a breakdown of the current level of reserves and the free reserves available to the charity:

<b>Reserves</b>	<b>August 2021</b>	<b>August 2020</b>
	<b>£</b>	<b>£</b>
Total reserves	2,573,096	2,240,584
Less: restricted reserves	(1,315,823)	(1,368,214)
Less: endowment funds	(333,694)	(333,694)
Less: designated instruments	(117,808)	(154,380)
Free reserves	805,771	384,296

The target level of free reserves is 3 months worth of unrestricted expenditure, which would accommodate for any unforeseen changes in income streams. Currently the level of free reserves represents 14 months (2020 - 6.9 months) of unrestricted expenditure so the target has been achieved in the current financial year. The increase in free reserves has resulted from a reduction in our pension reserve of £258,000, along with an in year surplus of £163,475. It has been identified that a proportion of these reserves will be utilised in 2021/2022 and 2022/2023 to fund our COVID recovery.

**Risk Management**

The trustees continue to assess and monitor the risks facing the charity. The risk register is scrutinised in detail at subcommittee level and then presented at each board meeting.

**Guarantees**

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2021 was 14 (2020:12). The trustees have no beneficial interest in the charitable company.

**Information on Fund Raising activities**

Kent Music complies with sector best practice. No complaints were received with regards to fundraising throughout the course of the year and no professional fundraisers or commercial partners conducted fundraising as charity representatives. The board of trustees monitors and manages its fundraising regulation and compliance which are discussed at board meetings.

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**KENT MUSIC**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 judgments 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.

**Disclosure of information to auditor**

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

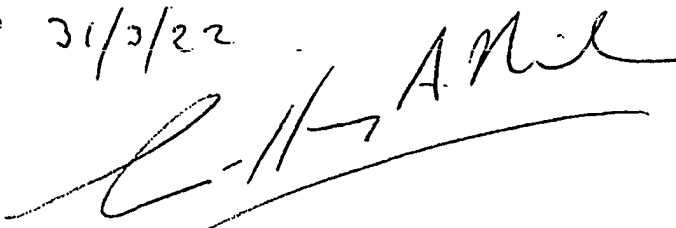
- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor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

**Auditor**

The auditor, Crowe U.K. LLP, 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:

Date

31/3/22  


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**KENT MUSIC**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC**

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**Opinion**

We have audited the financial statements of Kent Music (the 'charitable company') for the year ended 31 August 2021 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 2021 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 Charities Act 2011.

**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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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**KENT MUSIC**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)**

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**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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**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.

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**KENT MUSIC**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)**

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**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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**KENT MUSIC**  
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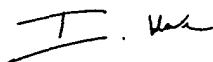
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)**

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**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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.



**Ian Weekes**  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
Riverside House  
40 - 46 High Street  
Maidstone  
Kent  
ME14 1JH  
Date:

22 April 2022

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**KENT MUSIC**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	<b>Note</b>	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Endowment funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
<b>Income and endowments from:</b>						
Donations and legacies	4	1,394	15,009	-	16,403	1,473
Charitable activities	5	811,635	2,144,653	-	2,956,288	2,885,379
Investments	6	2,531	-	-	2,531	5,131
<b>Total income and endowments</b>		<b>815,560</b>	<b>2,159,662</b>		<b>2,975,222</b>	<b>2,891,983</b>
<b>Expenditure on:</b>						
Charitable activities		688,657	2,212,053	-	2,900,710	2,976,774
<b>Total expenditure</b>		<b>688,657</b>	<b>2,212,053</b>		<b>2,900,710</b>	<b>2,976,774</b>
<b>Net movement in funds before other recognised gains/(losses)</b>						
		126,903	(52,391)	-	74,512	(84,791)
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	24	258,000	-		258,000	(53,000)
<b>Net movement in funds</b>		<b>384,903</b>	<b>(52,391)</b>		<b>332,512</b>	<b>(137,791)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		538,676	1,368,214	333,694	2,240,584	2,378,375
Net movement in funds		384,903	(52,391)		332,512	(137,791)
<b>Total funds carried forward</b>		<b>923,579</b>	<b>1,315,823</b>	<b>333,694</b>	<b>2,573,096</b>	<b>2,240,584</b>

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

The notes on pages 17 to 36 form part of these financial statements.

**KENT MUSIC**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 05464855**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	117,808	154,380
		<b>117,808</b>	<b>154,380</b>
<b>Current assets</b>			
Stocks	12	1,003	2,964
Debtors	13	1,259,143	1,129,297
Investments	14	333,694	333,694
Cash at bank and in hand		1,539,997	1,533,988
		<b>3,133,837</b>	<b>2,999,943</b>
Creditors: amounts falling due within one year	15	(182,549)	(174,739)
<b>Net current assets</b>		<b>2,951,288</b>	<b>2,825,204</b>
<b>Total assets less current liabilities</b>		<b>3,069,096</b>	<b>2,979,584</b>
Provisions for liabilities		(20,000)	
<b>Net assets excluding pension liability</b>		<b>3,049,096</b>	<b>2,979,584</b>
Defined benefit pension scheme liability	24	(476,000)	(739,000)
<b>Total net assets</b>		<b>2,573,096</b>	<b>2,240,584</b>
<b>Charity funds</b>			
Endowment funds	17	333,694	333,694
Restricted funds	17	1,315,823	1,368,214
Unrestricted funds			
Unrestricted funds excluding pension liability	17	1,399,579	1,277,676
Pension reserve	17	(476,000)	(739,000)
<b>Total unrestricted funds</b>	17	<b>923,579</b>	<b>538,676</b>
<b>Total funds</b>		<b>2,573,096</b>	<b>2,240,584</b>



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**KENT MUSIC**  
(A company limited by guarantee)  
REGISTERED NUMBER: 05464855

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2021**

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The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

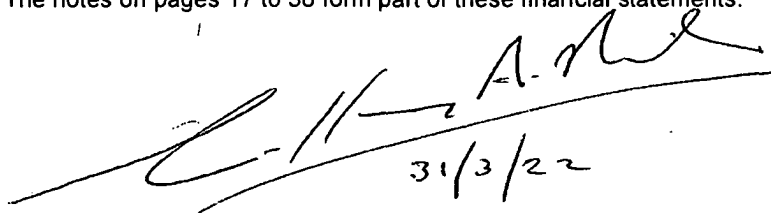
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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:

Date:

The notes on pages 17 to 36 form part of these financial statements.



A handwritten signature, possibly 'A. H.', is written over a horizontal line. Below the line, the date '31/3/22' is handwritten.

KENT MUSIC  
(A company limited by guarantee)

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	27,021	(52,915)
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	4,659	5,130
Purchase of tangible fixed assets	(25,551)	(27,844)
<b>Net cash used in investing activities</b>	(20,892)	(22,714)
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>		
<b>Change in cash and cash equivalents in the year</b>	6,129	(75,629)
Cash and cash equivalents at the beginning of the year	1,533,988	1,609,617
<b>Cash and cash equivalents at the end of the year</b>	1,540,117	1,533,988

The notes on pages 17 to 36 form part of these financial statements

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**KENT MUSIC**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Charity information**

The principal activity of the entity during the year was the provision of music education.

The charity is a charitable company limited by guarantee which is incorporated and registered in England and Wales (05464855).

The address of the Registered office is:

24 Turkey Court  
Turkey Mill  
Ashford Road  
Maidstone

**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.

Kent Music 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 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

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**KENT MUSIC**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The accounts have been prepared on a going concern basis. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

During the preparation of these accounts the COVID-19 crisis is still prevalent and new variants continue to appear. However contrary to financial year ended 2021, schools have remained open since the beginning of the Autumn term in 2021. This has allowed us to continue to recover our tuition, and whilst we are not yet back to our pre-pandemic levels our student numbers are increasing.

KCC will continue to support the charity with a grant at the same level as the previous year of £204,000, which will cover to period to 31st March 2023.

Arts Council England (ACE) have confirmed that the overall funding to Music Hubs will remain unchanged. The funding from ACE to Hubs is based on population of children aged 5-18 and whilst we have not yet received detailed confirmation of this funding for Kent Music we do not expect these population criteria to have any impact. This funding will also cover the period to 31st March 2023.

Kent Music took advantage of flexibility offered in the current year to use grant income in certain instances to cover overheads given the unprecedented circumstances. These two grants account for 79% of overall current income.

Cash at bank as at 31st August 2021 was £1,539,997. With grants in place the only unpredictable income risk relates to the level of recovery of tuition. Taking this into account we would anticipate that we have more than enough cash to cover any eventuality.

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**KENT MUSIC**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.4 Income**

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

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Teaching income is recognised in the period in which it is receivable and to the extent the lessons have been provided or on completion of the service.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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**KENT MUSIC**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.6 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the statement of financial activities as the related expenditure is incurred.

**2.7 Tangible fixed assets and depreciation**

Tangible fixed assets costing £200 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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.

Depreciation is provided on the following bases:

Long Term Leasehold Property	- Over the term of the lease
Fixtures, fittings and equipment	- 12-50% reducing Balance
Instruments	- 4-33% straight line

**2.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**2.9 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.

**2.10 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.

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**KENT MUSIC**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.11 Liabilities**

Liabilities and provisions 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

**2.12 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.13 Operating leases**

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

**2.14 Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The charity previously operated a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2016 and updated to the 31st August 2021.

**2.15 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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**KENT MUSIC**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**3. Critical accounting estimates and areas of judgment**

Estimates and judgments 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.

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.

1) 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 21, 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 2021.

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.

The liability has also been calculated using mortality rates used by the UK government

**4. Income from donations and legacies**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Donations	1,394	15,009	<b>16,403</b>	1,473
	-			
	-			
<i>Total 2020</i>	<b>1,473</b>	<b>-</b>	<b>1,473</b>	



**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**5. Income from charitable activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Tuition fees	427,683		427,683	471,226
Kent County Council	204,000		204,000	204,000
Instruments hire fees	38,710	-	38,710	46,059
Concert fees and admission charges		-	-	3,743
Other income	129		129	1,826
Grants	-	2,144,653	2,144,653	2,138,658
Coronavirus job retention scheme	141,113		141,113	19,867
	811,635	2,144,653	2,956,288	2,885,379
<i>Total 2020</i>	746,721	2,138,658	2,885,379	

**6. Investment income**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income - other local investments	2,531	2,531	5,131

**KENT MUSIC**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**7. Analysis of expenditure by Fund type**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	11,000	-	11,000	12,000
Staff costs	267,951	1,511,001	1,778,952	1,754,918
Travel costs	22,921		22,921	38,054
Instrument costs	-	24,277	24,277	
Staff training and recruitment	9,583	10,876	20,459	27,451
Operating lease rentals	128,535	-	128,535	129,811
Accommodation, computer and office costs	52,550	163,125	215,675	250,324
Other expenses	46,533	-	46,533	35,948
Other teaching and administrative costs	28,718	-	28,718	39,905
Bursaries	-	79,625	79,625	72,917
(Profit)/Loss on disposal of fixed assets	(125)	-	(125)	272
Trustees' Indemnity Insurance	-	821	821	827
Professional fees	51,787	-	51,787	95,338
School funding	-	422,328	422,328	423,194
Projects and workshop expenditure	571	-	571	380
Life insurance	6,510	-	6,510	5,366
Depreciation and amortisation	62,123	-	62,123	42,239
	688,657	2,212,053	2,900,710	2,928,944
<i>Total 2020</i>	666,508	2,310,266	2,976,774	

**8. Auditor's remuneration**

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12,500	12,000
Fees payable to the Company's auditor in respect of: Preparation of the financial statements	3,100	2,400

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**KENT MUSIC**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**9. Staff costs**

	2021 £	2020 £
Wages and salaries	1,624,955	1,632,154
Social security costs	117,654	109,544
Contribution to defined contribution pension schemes	36,343	13,220
	--	
	<u>1,778,952</u>	<u>1,754,918</u>

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

	2021 No.	2020 No.
Teachers	104	103
Administration	39	38
	<u>143</u>	<u>141</u>

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

	2021 No.	2020 No.
In the band £100,001 - £110,000	1	1

The senior management team comprised the Chief Executive, the Chief Operating Officer, Senior Manager Finance, Senior Manager Education and Head of Partnerships. The total remuneration of key management personnel in the year was £247,301 (2020 - £250,910)

**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**10. Trustees' remuneration and expenses**

During the year ended 31 August 2021, no Trustees received any remuneration or other benefits (2020 - £Nil).

During the year ended 31 August 2021, expenses totalling £295 were reimbursed or paid directly to 1 Trustee (2020 - £NIL to Trustee). These costs were in respect of CPD training and pilot work.

**11. Tangible fixed assets**

	Long-term leasehold property £	Fixtures, fittings and equipment £	Instruments £	Total £
<b>Cost or valuation</b>				
At 1 September 2020	74,299	131,977	672,530	878,806
Additions	1,620	23,931	-	25,551
	-			
At 31 August 2021	75,919	155,908	672,530	904,357
<b>Depreciation</b>				
At 1 September 2020	61,939	83,320	579,167	724,426
Charge for the year	10,193	25,965	25,965	62,123
At 31 August 2021	72,132	109,285	605,132	786,549
<b>Net book value</b>				
At 31 August 2021	3,787	46,623	67,398	117,808
At 31 August 2020	12,360	48,657	93,363	154,380

**12. Stocks**

	2021 £	2020 £
Raw materials and consumables	1,003	2,964

**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**13. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	15,380	125
Other debtors	2,563	2,568
Prepayments and accrued income	1,241,200	1,126,604
	<u>1,259,143</u>	<u>1,129,297</u>

**14. Current asset investments**

	2021 £	2020 £
Unlisted investments	<u>333,694</u>	<u>333,694</u>

**15. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	34,379	32,580
Other taxation and social security	46,780	33,763
Other creditors	20,394	17,839
Accruals and deferred income	80,996	90,557
	<u>182,549</u>	<u>174,739</u>

**16. Financial instruments**

	2021 £	2020 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<u>1,873,691</u>	<u>1,867,682</u>

**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**17. Statement of funds**

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Fixed asset fund	154,380	-	(36,572)		117,808
<b>General funds</b>					
General Funds - all funds	1,123,296	815,560	(657,085)		1,281,771
Pension reserve	(739,000)		5,000	258,000	(476,000)
	384,296	815,560	(652,085)	258,000	805,771
<b>Total Unrestricted funds</b>	538,676	815,560	(688,657)	258,000	923,579
<b>Endowment funds</b>					
Endowment Funds - all funds	333,694	-	-		333,694
<b>Restricted funds</b>					
YWO instrument fund	10,265			-	10,265
Bursary fund	37,091		-	-	37,091
Kent Youth Choirs (KYC)	3,078	-	-		3,078
Kent Youth Wind Orchestra (KYWO) fundraising fund	1,600	-	-		1,600
Youth Music - Fund C	1,066	1,350	(2,050)		366
Youth Music	-	9,000	(820)		8,180
Arts Council England	1,308,994	2,144,653	(2,209,183)		1,244,464
D A Baker Endowment	6,120	4,659	-	-	10,779
	1,368,214	2,159,662	(2,212,053)	-	1,315,823
<b>Total of funds</b>	2,240,584	2,975,222	(2,900,710)	258,000	2,573,096

**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**17. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Designated Funds - all funds	169,048	-	(14,668)	-	154,380
<b>General funds</b>					
General Funds - all funds	1,027,521	747,615	(651,840)		1,123,296
Pension reserve	(686,000)	-	-	(53,000)	(739,000)
	341,521	747,615	(651,840)	(53,000)	384,296
<b>Total Unrestricted funds</b>	510,569	747,615	(666,508)	(53,000)	538,676
			--		
Endowment Funds - all funds	333,694	-	-		333,694
<b>Restricted funds</b>					
'r0(WO) instrument fund	10,265	-	-	-	10,265
Bursary fund	37,468	1,214	(1,591)		37,091
Kent Youth Choirs (KYC)	3,078	-		-	3,078
Kent Youth Wind Orchestra					
('r0(WO) fundraising fund	1,600		-	-	1,600
Youth Music - Fund C	4,098	4,500	(7,532)	-	1,066
Arts Council England	1,475,649	2,134,158	(2,300,813)	-	1,308,994
DA Baker Endowment	1,624	4,496		-	6,120
Orchestra ONE	330	-	(330)		
	1,534,112	2,144,368	(2,310,266)	-	1,368,214
<b>Total of funds</b>	2,378,375	2,891,983	(2,976,774)	(53,000)	2,240,584

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**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**17. Statement offunds (continued)**

**Purpose of restricted funds**

- (i) The Bursary fund relates to income received specifically to assist students with payments of tuition fees.
- (ii) The Kent Youth Wind Orchestra (KYWO) instrument fund relates to funds received for the benefit of the Kent Youth Wind Orchestras.
- (iii) The Kent Youth Choirs (KYC) donation fund is monies received on the closure of Medway Opera and relates to the unspent balance of monies received.
- (iv) Orchestra ONE is a large scale ensemble for all abilities, particularly aimed at children and young people in challenging circumstances. Funding from the Music Education Hub has been allocated to enable it to continue for a further year.
- (v) Band without Boundaries is a West Kent jazz project aimed at people of all abilities, including those with learning difficulties and restricted physical ability.
- (vi) The Arts Council England fund relates to funding for the delivery of Music Education Hubs.
- (vii) Safer Kent is a project for young persons who are at risk of exclusion or have behavioural issues by providing music programmes.
- (viii) D A Baker endowment fund relates to the income and expenditure utilised from the endowment fund for tuition for children in the West Kent area.

As at 31 August 2021 there is a balance of £1,244,464 because in accordance with the Charity's accounting policy, Grant income confirmed as at 1 April for the 12 month period is recognised in full at that date. Costs are considered to be incurred evenly over the term of the grant being 1 April to 31 March. The outstanding balance includes 7 months of income which will be used from September to March in line with the grant term.

**Purpose of designated funds**

- (i) The Fixed asset fund represents the value of funds invested in fixed assets which are not, by the nature of fixed assets, readily available for other purposes.

**Pension reserve**

The pension reserve included within the unrestricted reserve represents the defined benefit liability of £476,000.



**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**18. Summary of funds**

Summary of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
Designated funds	154,380		(36,572)		117,808
General funds	384,296	815,560	(652,085)	258,000	805,771
Endowment funds	333,694				333,694
Restricted funds	1,368,214	2,159,662	(2,212,053)	-	1,315,823
	<b>2,240,584</b>	<b>2,975,222</b>	<b>(2,900,710)</b>	<b>258,000</b>	<b>2,573,096</b>

Summary of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Designated funds	169,048		(14,668)	-	154,380
General funds	341,521	747,615	(651,840)	(53,000)	384,296
Endowment funds	333,694			-	333,694
Restricted funds	1,534,112	2,144,368	(2,310,266)	-	1,368,214
	<b>2,378,375</b>	<b>2,891,983</b>	<b>(2,976,774)</b>	<b>(53,000)</b>	<b>2,240,584</b>

**19. Analysis of net assets between funds**

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	117,808	-	-	117,808
Current assets	1,484,320	1,315,823	333,694	3,133,837
Creditors due within one year	(182,549)		-	(182,549)
Provisions for liabilities and charges	(496,000)	-		(496,000)
<b>Total</b>	<b>923,579</b>	<b>1,315,823</b>	<b>333,694</b>	<b>2,573,096</b>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**19. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Endowment funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	154,380			154,380
Current assets	1,298,034	1,368,214	333,694	2,999,942
Creditors due within one year	(174,739)			(174,739)
Provisions for liabilities and charges	(739,000)			(739,000)
<b>Total</b>	<b>538,675</b>	<b>1,368,214</b>	<b>333,694</b>	<b>2,240,583</b>

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

	<b>2021 £</b>	<b>2020 £</b>
Net income/expenditure for the year (as per Statement of Financial Activities)	<b>74,512</b>	<b>(84,791)</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>62,123</b>	<b>42,239</b>
Dividends, interests and rents from investments	<b>(4,659)</b>	<b>(5,131)</b>
Loss/(profit) on the sale of fixed assets	<b>(125)</b>	<b>271</b>
Decrease in stocks	<b>1,961</b>	<b>10,617</b>
Decrease/(increase) in debtors	<b>(129,846)</b>	<b>204,687</b>
Increase/(decrease) in creditors	<b>23,055</b>	<b>(220,808)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>27,021</b>	<b>(52,916)</b>

**21. Analysis of cash and cash equivalents**

	<b>2021 £</b>	<b>2020 £</b>
Cash in hand	<b>1,540,117</b>	<b>1,533,988</b>
<b>Total cash and cash equivalents</b>	<b>1,540,117</b>	<b>1,533,988</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**22. Analysis of changes in net debt**

	At1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,533,988	6,129	1,540,117
Liquid investments	333,694		333,694
	<u>1,867,682</u>	<u>6,129</u>	<u>1,873,811</u>

**23. Provisions**

	Dilapidation provision £
Additions	20,000
	<u>20,000</u>

**24. Pension commitments**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £40,989 (2020 - £28,452) were payable to the fund at the balance sheet date and are included in creditors

The Charity also operates a defined benefit pension scheme which is closed to new members.

The pension charge is based on a full actuarial valuation dated 31 March 2016 and updated to the 31st August 2021.

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**24. Pension commitments (continued)**

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

	At 31 August 2021 %	At 31 August 2020 %
Discount rate	1.60	1.45
Future salary increases	3.90	3.40
Future pension increases	2.90	2.40
RPI increases	3.40	3.25
CPI increases	2.90	2.40

	At 31 August 2021 Years	At 31 August 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	21.9	21.8
- at 65 for a male aged 45 now	23.3	23.2
- for a female aged 65 now	23.8	23.8
- at 65 for a female aged 45 now	25.3	25.2

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

	At 31 August 2021 £	At 31 August 2020 £
Equities	1,630,000	1,493,000
Gilts	14,000	15,000
Other bonds	346,000	298,000
Property	256,000	253,000
Cash and other liquid assets	71,000	70,000
Absolute return fund	173,000	175,000
<b>Total fair value of assets</b>	<b>2,490,000</b>	<b>2,304,000</b>

The actual return on scheme assets was £323,000 (2020- £164,000).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24. Pension commitments (continued)**

The amounts recognised in the Statement of financial activities are as follows:

	2021 £	2020 £
Interest cost	11,000	12,000
Administrative expenses	2,000	1,000
<b>Total amount recognised in the Statement of financial activities</b>	<b>13,000</b>	<b>13,000</b>

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

	2021 £	2020 £
Opening defined benefit obligation	3,031,000	2,959,000
Interest on assets	32,000	39,000
Actuarial losses	33,000	167,000
Benefits paid	(148,000)	(134,000)
Unfunded pension payments	(5,000)	
<b>Closing defined benefit obligation</b>	<b>2,943,000</b>	<b>3,031,000</b>

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

	2021 £	2020 £
Opening fair value of scheme assets	2,304,000	2,273,000
Actuarial gains	291,000	114,000
Contributions by employer	18,000	7,000
Contributions by scheme participants	32,000	39,000
Benefits paid	(153,000)	(134,000)
Other actuarial gains/(losses)	-	5,000
Administrative expenses	(2,000)	
<b>Closing fair value of scheme assets</b>	<b>2,490,000</b>	<b>2,304,000</b>

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**25. Operating lease commitments**

At 31 August 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>	<i>2020</i>
	£	£
Not later than 1 year	<b>152,184</b>	<i>152,954</i>
Later than 1 year and not later than 5 years	<b>13,712</b>	<i>25,602</i>
	<hr/> <b>165,896</b> <hr/>	<hr/> <i>178,556</i> <hr/>