

Registered number: 05464855  
Charity number: 1110639

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

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**



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

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**KENT MUSIC**  
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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 2023**

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

Geoffrey Miles, Chair  
Timothy Leates  
Sarah Hohler (appointed by Kent County Council)  
Francesca Christmas  
Robin Hammerton  
Elizabeth Topiwala  
Kyle Siwek  
Alicia Moyles  
Jessica Cooling  
Rebecca Evernden  
Sarah Hamilton (appointed by Kent County Council)  
Ray Mia

**Company registered number**

05464855

**Charity registered number**

1110639

**Registered office**

Units 25 & 26, Creative Enterprise Quarter  
Javelin Way  
Ashford  
Kent  
TN24 8FN

**Chief executive officer**

Peter Bolton

**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 2023**

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The Trustees present their annual report together with the audited financial statements of Kent Music (The Charity) for the year ended 31 August 2023. 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 was incorporated as a charitable company limited by guarantee 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 under the terms in the articles of association.

Kent Music is keen to ensure that the board of trustees includes a broad base of relevant skills and experience. The method adopted for the recruitment and appointment of trustees is that vacancies are advertised and applications are invited. Shortlisted candidates are interviewed by the chair and one other trustee. However, during the year the trustees put a freeze on the recruitment of new trustees pending the outcome of the government's consultation on geographies to be covered by new Music Hubs that are due to come in from 1 September 2024.

**Trustees**

The Trustees who served during the year are as follows:

Geoff Miles (chair)  
Timothy Leates  
Sarah Hohler (appointed by Kent County Council)  
Francesca Christmas  
Robin Hammerton  
Elizabeth Topiwala  
Lesley-Ann Smith (resigned March 2024)  
Kyle Siwek  
Alicia Moyles  
Jessica Cooling  
Rebecca Evernden  
Sarah Hamilton (appointed by Kent County Council)  
Ray Mia

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

**Chief Executive**

Peter Bolton

**Senior Leadership Team**

Olivia Edwards (senior leader, music hub)  
Trevor James (senior leader, tuition & ensembles)  
Ruth Roberts (senior leader, operations)

**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.

**Policies and objectives**

The purposes of the charity are the promotion of the performing arts in all their forms, in particularly music and for this purpose to provide education, tuition and activities for the benefit of the public generally, particularly in the county of Kent and the unitary authority of Medway.

**Values**

During the year Kent Music underwent an exercise to redefine its values. It undertook surveys and consultations with key stakeholders at the end of which the following value set was agreed:

Creativity	- we champion creativity, nurture imagination and spark inspiration
Achievement	- we empower people to progress and excel
Inclusion	- we open doors, fostering inclusivity and accessibility
Awareness	- we recognise the impact of our actions and make ethical and informed choices
Joy	- we encourage fun, seeking enjoyment and opportunities for celebration

**Mission**

Kent Music is a strategic music organisation for Kent, providing and facilitating music education, inspiration and support for learners, schools, teachers, musicians and audiences.

**Core aims**

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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

**Pay policy for key management personnel**

Kent Music's pay policy sets out how pay for all staff will be reviewed including key management personnel. When senior staff appointments are made, a benchmarking exercise is carried out to establish pay levels.

**Financial risk management**

The Trustees have assessed the major risks to which the Company is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

**Plans for future periods**

A new business plan has been designed and started in September 2021. The plan draws 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 is 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; and 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**

**Policies and objectives**

**Charging and remissions policy**

Kent Music has a charging and remissions policy designed to remove as many barriers to music education as possible. The policy covers the following:

- Kent Music's tuition fees aim to recover the hourly rate paid to the teacher, the cost of providing DBS checks, the cost of hiring teaching venues and a small contribution to the overheads of Kent Music.
- We run a whole class instrumental teaching programme that provides every child in Kent the opportunity to have free instrumental teaching for one hour per week.
- We receive subsidy from Kent County Council that enables us to provide a network of out of school music centres and county ensembles and choirs at a subsidised rate.
- Other projects and programmes run by Kent Music are provided for a small charge or free. This includes professional development courses for teachers, large scale celebration events for schools, the Kent Music Roadshow and occasional short-term projects.
- A bursary scheme funded by part of the grant from Arts Council England and other ad hoc grants and legacies supports 75% of the cost of tuition fees for children & young people who fall into various categories for state benefits

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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**Achievements and Performance (continued)**

**Review of activities**

During the year student numbers continued to recover from pandemic levels and at the end of the year we were teaching just under 1,000 students in one-to-one and small group lessons.

Our Whole Class Ensemble Teaching programme, MusicPlus, also grew through the year starting with 123 projects in 81 schools at the start of the academic year and ending the year with 141 projects in 92 schools. The number of schools buying us in for music activities increased through the year from 20 at the start of the year to 40 by the end of the year.

This was the first year that our music centres had been open for a full year since the pandemic. During the course of the year plans were put in place to move Medway Towns Music Centre from Fort Pitt Grammar School in Chatham to the St. Joseph Williamson Mathematical School in Rochester.

Kent County Youth Orchestra, Kent Youth Wind Orchestra and Kent Youth Choir ran a full set of courses during the year. To mark the start of Kent Music's 75th year Kent County Youth Orchestra gave a performance of Absolute Jest by John Adams – one of the most challenging pieces the orchestra has ever played. The orchestra was joined by the Sacconi String Quartet, three of whom are alumni of the orchestra, and we are grateful to the Oak Foundation for supporting their involvement.

Kent Music Summer School continued to thrive and celebrated its 75th year at Benenden School. 333 students attended summer school courses which is an increase on 309 in the previous year. In addition primary school students attended an "experience" day where they had the opportunity to perform in the new concert hall and visit activities taking place around the site.

Kent Music's roadshow, featuring three of our most experienced teachers, performed in schools throughout the county every Monday during term time, reaching approximately 10,000 children.

**Music Education Hub**

During the year Arts Council England undertook a national consultation on the question of geographical areas for the new music hubs due to come into effect from September 2024. The chief executive attended a focus group in London and the senior leadership team contributed to a survey. In June 2023 the Department for Education announced that the current number of 118 music hubs will reduce to 43 and that Kent and Medway will merge into a single music hub organisation. Over the summer work took place to prepare a bid to become the Hub Lead Organisation for the new Kent & Medway Hub. The outcome of the bid will be known in April 2024.

**Organisational change**

In September 2022 Kent Music moved to a new building in Ashford as part of a new cultural quarter in Javelin Way. The new building enabled the organisation to bring all of its administration & management staff, musical instruments, equipment and library under one roof for the first time. The building is being purchased from Kent County Council with a loan from Ashford Borough Council. This is a significant development for the organisation because it reduces the cost of premises, makes running activities much more efficient and improves communication between different parts of the organisation.

Also, in September 2022 a new staff structure was put in place, following a consultation that was reported on in last year's review.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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**Achievements and Performance (continued)**

**Going concern**

After rigorous scenario planning we can confidently say that it is correct to prepare these statements on the going concern basis because we have a stable level of income from tuition, instrument hire and school opportunities which is independent of funding.

Kent County Council have confirmed that they wish to continue to support Kent Music with a Grant of £175,000 from April 2024 to March 2025.

Arts Council England (ACE) have confirmed that funding to music hubs will remain at current levels until August 2024. In advance of August 2024 there will be a bidding process to run music education hubs when funding for an unspecified period beyond September 2024 will be confirmed.

While there is uncertainty over the future level of funding from ACE we have a high level of free reserves which are in excess of our reserve policy and these will be utilised to support Kent Music through a transition period should the charity no longer be the Hub Lead Organisation.

**Financial review**

**Reserves policy**

The charity has a target level of free reserves of three months' worth of unrestricted expenses this is circa £270,000. We currently have general reserves of £1,556,683 (2022: £1,569,188) with free reserves of £1,433,239 (2022: £1,482,900). For a detailed breakdown please see page 27.

Free reserves are held for the following eventualities:

- To cover potential fluctuations in funding from grants while costs are adjusted.
- To cover a shortfall on the annual budget due to unforeseen expenses.
- To provide options in our approach for purchasing Javelin Way.
- To allow Kent Music to explore opportunities in line with its charitable objectives.

In addition the following sums are held in reserve:

- An endowment fund of £333,694 resulting from a gift to the charity by Mrs D Baker
- Restricted funds of £2,270,100.

**Risk Management**

The charity maintains a risk register that sets out the major risks in the following categories: delivery; governance and management; financial management and resilience; reputational risk; and transitional risk. The risk register is updated for each board meeting and the changes since the previous board meeting are brought to the attention of the trustees who discuss and agree any action that is required.

**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 2023 was 13 (2022:12). The trustees have no beneficial interest in the charitable company.

**Information on Fund Raising activities**

Kent Music complies with sector best practice. There were no complaints in relation to fundraising during the year and no professional fundraisers or commercial partners conducted fundraising as representatives of Kent Music. The trustees have been made aware of the Fundraising Regulator's 2019 Code of Fundraising Practice which is applied to all fundraising activities.



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**KENT MUSIC**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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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**

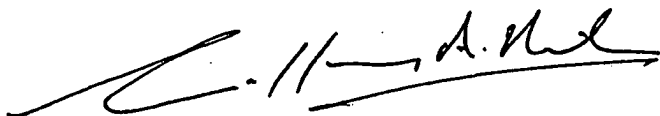
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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:



.....  
Geoff Miles (Chair)

Date: 22nd March 2024

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**KENT MUSIC**  
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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 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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**  
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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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

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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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**Responsibilities of trustees**

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

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

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

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

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 including considerations of known or suspected instances of non-compliance with laws and regulations and fraud.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combination.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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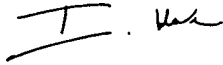
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT MUSIC (CONTINUED)**

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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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's 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: 26 March 2024

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income and endowments from:</b>						
Donations and legacies	4	10,083	-	-	10,083	3,638
Charitable activities	5	920,732	3,289,985	-	4,210,717	3,221,415
Investments	6	10,433	-	-	10,433	1,436
<b>Total income and endowments</b>		<b>941,248</b>	<b>3,289,985</b>	<b>-</b>	<b>4,231,233</b>	<b>3,226,489</b>
<b>Expenditure on:</b>						
Charitable activities	7	931,753	2,183,277	-	3,115,030	3,202,311
<b>Total expenditure</b>		<b>931,753</b>	<b>2,183,277</b>	<b>-</b>	<b>3,115,030</b>	<b>3,202,311</b>
<b>Net movement in funds before other recognised gains/(losses)</b>						
		9,495	1,106,708	-	1,116,203	24,178
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	23	(22,000)	-	-	(22,000)	469,000
<b>Net movement in funds</b>		<b>(12,505)</b>	<b>1,106,708</b>	<b>-</b>	<b>1,094,203</b>	<b>493,178</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,569,188	1,163,392	333,694	3,066,274	2,573,096
Net movement in funds		(12,505)	1,106,708	-	1,094,203	493,178
<b>Total funds carried forward</b>		<b>1,556,683</b>	<b>2,270,100</b>	<b>333,694</b>	<b>4,160,477</b>	<b>3,066,274</b>

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

The notes on pages 16 to 34 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	11	123,444	86,288
		<u>123,444</u>	<u>86,288</u>
<b>Current assets</b>			
Debtors	12	2,482,002	1,324,386
Investments	13	333,694	333,694
Cash at bank and in hand		1,655,975	1,528,112
		<u>4,471,671</u>	<u>3,186,192</u>
Creditors: amounts falling due within one year	14	(414,638)	(186,206)
<b>Net current assets</b>		<u>4,057,033</u>	<u>2,999,986</u>
<b>Total assets less current liabilities</b>		<u>4,180,477</u>	<u>3,086,274</u>
Provisions for liabilities		(20,000)	(20,000)
<b>Net assets excluding pension asset</b>		<u>4,160,477</u>	<u>3,066,274</u>
<b>Total net assets</b>		<u><u>4,160,477</u></u>	<u><u>3,066,274</u></u>
<b>Charity funds</b>			
Endowment funds	16	333,694	333,694
Restricted funds	16	2,270,100	1,163,392
Unrestricted funds	16	1,556,683	1,569,188
<b>Total funds</b>		<u><u>4,160,477</u></u>	<u><u>3,066,274</u></u>

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.

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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 2023**

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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:



**Timothy Leates**

Date: 22/3/24

The notes on pages 16 to 34 form part of these financial statements.



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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	199,815	(7,867)
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		12,320	1,469
Proceeds from the sale of tangible fixed assets		(84,272)	(5,487)
<b>Net cash used in investing activities</b>		(71,952)	(4,018)
<b>Cash flows from financing activities</b>			
Cash inflows from financing		-	-
<b>Net cash provided by financing activities</b>		-	-
<b>Change in cash and cash equivalents in the year</b>		127,863	(11,885)
Cash and cash equivalents at the beginning of the year		1,528,112	1,539,997
<b>Cash and cash equivalents at the end of the year</b>	19	1,655,975	1,528,112

The notes on pages 16 to 34 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 2023**

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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:

Units 25 & 26,  
Creative Enterprise Quarter,  
Javelin Way,  
Ashford,  
TN24 8FN

**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.

**2.3 Going concern**

After rigorous scenario planning we can confidently say that it is correct to prepare these statements on the going concern basis because we have a stable level of income from tuition, instrument hire and school opportunities which is independent of funding.

Kent County Council have confirmed that they wish to continue to support Kent Music with a Grant of £175,000 from April 2024 to March 2025.

Arts Council England (ACE) have confirmed that funding to music hubs will remain at current levels until August 2024. In advance of August 2024 there will be a bidding process to run music education hubs when funding for an unspecified period beyond September 2024 will be confirmed.

While there is uncertainty over the future level of funding from ACE we have a high level of free reserves which are in excess of our reserve policy and these will be utilised to support Kent Music through a transition period should the charity no longer be the Hub Lead Organisation.

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**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

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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 Charity 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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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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**2. Accounting policies (continued)**

**2.6 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	- 3.33%-25% straight line
Instruments	- 4%-33% straight line

At the beginning of the year, management decided it would be more relevant to change the fixtures, fittings and equipment method from the reducing balance method to the straight line method. This change has been made prospectively from the beginning of the year. If the change had not been made, this would result in a NBV increase of £11,634, which is not material to the accounts.

**2.7 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.

**2.8 Cash at bank and in hand**

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

**2.9 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.

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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 2023**

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**2. Accounting policies (continued)**

**2.10 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.

**2.11 Operating leases**

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

**2.12 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 2022 and updated to the 31st August 2023.

**2.13 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**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

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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 fund 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 24, will impact the carrying amount of the pension fund.

Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions fund at 31 August 2023.

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 fund.

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

**4. Income from donations and legacies**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
One off donations by individuals	10,083	10,083	3,638

**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**5. Income from charitable activities**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Tuition fees	734,902	-	734,902	754,992
Kent County Council	119,000	-	119,000	204,000
Instruments hire fees	59,906	-	59,906	61,118
Concert fees and admission charges	3,016	-	3,016	2,566
Other income	3,908	-	3,908	755
Grants	-	3,289,985	3,289,985	2,189,806
Coronavirus job retention scheme	-	-	-	8,178
	<u>920,732</u>	<u>3,289,985</u>	<u>4,210,717</u>	<u>3,221,415</u>
<i>Total 2022</i>	<u>1,031,609</u>	<u>2,189,806</u>	<u>3,221,415</u>	

**6. Investment income**

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income	<u>10,433</u>	<u>10,433</u>	<u>1,436</u>

**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

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

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance costs	8,250	-	8,250	9,000
Staff costs	318,669	1,541,779	1,860,448	1,878,546
Travel costs	51,408	-	51,408	33,774
Instrument costs	-	18,291	18,291	46,877
Staff training and recruitment	-	24,224	24,224	25,089
Operating lease rentals	7,290	-	7,290	104,960
Accommodation, computer and office costs	245,909	112,548	358,457	244,688
Other expenses	147,674	-	147,674	84,114
Other teaching and administrative costs	14,423	43,270	57,693	42,036
Bursaries	-	140,421	140,421	150,168
(Profit)/Loss on disposal of fixed assets	2,201	-	2,201	(206)
Trustees' Indemnity Insurance	554	-	554	896
Professional fees	63,683	-	63,683	53,530
School funding	-	302,744	302,744	484,626
Life insurance	5,926	-	5,926	7,210
Depreciation and amortisation	65,766	-	65,766	37,003
	<u>931,753</u>	<u>2,183,277</u>	<u>3,115,030</u>	<u>3,202,311</u>
<i>Total 2022</i>	<u>860,074</u>	<u>2,342,237</u>	<u>3,202,311</u>	

**8. Auditor's remuneration**

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	15,000	11,200
Fees payable to the Company's auditor in respect of:		
Preparation of the financial statements	<u>3,000</u>	<u>3,800</u>



**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**9. Staff costs**

	2023 £	2022 £
Wages and salaries	1,698,370	1,707,124
Social security costs	117,231	126,840
Contribution to defined contribution pension schemes	44,847	44,582
	<u>1,860,448</u>	<u>1,878,546</u>

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

	2023 No.	2022 No.
Teachers	89	108
Administration	30	43
	<u>119</u>	<u>151</u>

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

	2023 No.	2022 No.
In the band £90,001 - £100,000	-	-
In the band £100,001 - £110,000	1	1

The senior management team comprised the Chief Executive, senior leader, music hub, senior leader, tuition & ensembles and senior leader, operations. The total remuneration of key management personnel in the year was £245,525 (2022 - £248,266).

**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**10. Trustees' remuneration and expenses**

During the year ended 31 August 2023, no Trustees received any remuneration or other benefits (2022 - £Nil).

During the year ended 31 August 2023, no expenses were reimbursed or paid directly to any Trustee (2022 - £nil).

**11. Tangible fixed assets**

	Long-term leasehold property £	Fixtures, fittings and equipment £	Instruments £	Total £
<b>Cost or valuation</b>				
At 1 September 2022	75,919	153,399	676,830	906,148
Additions	-	76,272	28,850	105,122
Disposals	(75,919)	(19,383)	(87,208)	(182,510)
At 31 August 2023	-	210,288	618,472	828,760
<b>Depreciation</b>				
At 1 September 2022	75,919	120,495	623,446	819,860
Charge for the year	-	25,061	40,704	65,765
On disposals	(75,919)	(18,554)	(85,836)	(180,309)
At 31 August 2023	-	127,002	578,314	705,316
<b>Net book value</b>				
At 31 August 2023	-	83,286	40,158	123,444
At 31 August 2022	-	32,904	53,384	86,288

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**12. Debtors**

	2023 £	2022 £
<b>Due within one year</b>		
Trade debtors	35,197	127,291
Other debtors	-	2,863
Prepayments and accrued income	2,446,805	1,194,232
	<u>2,482,002</u>	<u>1,324,386</u>

Closing accrued income is made up from grants which have met the entitlement criteria but which relate to future accounting periods. The change in timing of the Arts Council England grant in the current year means that accrued amounts are higher as at 31 August 2024.

**13. Current asset investments**

	2023 £	2022 £
Unlisted investments	<u>333,694</u>	<u>333,694</u>

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

	2023 £	2022 £
Trade creditors	690	4,808
Other taxation and social security	34,981	36,128
Other creditors	35,445	23,768
Accruals and deferred income	343,522	121,502
	<u>414,638</u>	<u>186,206</u>

**15. Financial instruments**

	2023 £	2022 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<u>1,989,669</u>	<u>1,861,806</u>

**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**16. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
<b>Designated funds</b>						
Fixed Asset Fund	86,288	-	(65,766)	102,922	-	123,444
<b>General funds</b>						
General Funds - all funds	1,482,900	941,248	(865,987)	(102,922)	(22,000)	1,433,239
<b>Total Unrestricted funds</b>	<b>1,569,188</b>	<b>941,248</b>	<b>(931,753)</b>	<b>-</b>	<b>(22,000)</b>	<b>1,556,683</b>
<b>Endowment Funds</b>	<b>333,694</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>333,694</b>
<b>Restricted funds</b>						
KYWO instrument fund	11,865	-	(5,850)	-	-	6,015
Bursary fund	37,091	-	(3,389)	-	-	33,702
Kent Youth Choir (KYC)	3,078	-	-	-	-	3,078
Youth Music	10,724	-	-	-	-	10,724
Arts Council England	1,089,855	3,113,098	(2,005,554)	-	-	2,197,399
D A Baker Endowment	10,779	1,887	(12,666)	-	-	-
Kent County Council	-	175,000	(155,818)	-	-	19,182
	1,163,392	3,289,985	(2,183,277)	-	-	2,270,100
<b>Total of funds</b>	<b>3,066,274</b>	<b>4,231,233</b>	<b>(3,115,030)</b>	<b>-</b>	<b>(22,000)</b>	<b>4,160,477</b>

**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

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

**Statement of funds - prior year**

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
<b>Designated funds</b>					
Fixed asset fund	117,808	-	(31,520)	-	86,288
<b>General funds</b>					
General Funds - all funds	1,281,771	1,036,683	(828,554)	(7,000)	1,482,900
Pension reserve	(476,000)	-	-	476,000	-
	<u>805,771</u>	<u>1,036,683</u>	<u>(828,554)</u>	<u>469,000</u>	<u>1,482,900</u>
<b>Total Unrestricted funds</b>	<u>923,579</u>	<u>1,036,683</u>	<u>(860,074)</u>	<u>469,000</u>	<u>1,569,188</u>
Endowment Funds - all funds	<u>333,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,694</u>
<b>Restricted funds</b>					
KYWO instrument fund	11,865	-	-	-	11,865
Bursary fund	37,091	-	-	-	37,091
Kent Youth Choir (KYC)	3,078	-	-	-	3,078
Youth Music	8,546	11,178	(9,000)	-	10,724
Arts Council England	1,244,464	2,178,628	(2,333,237)	-	1,089,855
D A Baker Endowment	10,779	-	-	-	10,779
	<u>1,315,823</u>	<u>2,189,806</u>	<u>(2,342,237)</u>	<u>-</u>	<u>1,163,392</u>
<b>Total of funds</b>	<u><u>2,573,096</u></u>	<u><u>3,226,489</u></u>	<u><u>(3,202,311)</u></u>	<u><u>469,000</u></u>	<u><u>3,066,274</u></u>

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**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

**Purpose of restricted funds**

- (i) The Kent Youth Wind Orchestra instrument fund relates to funds received for the benefit of the Kent Youth Wind Orchestra.
- (ii) The bursary fund relates to income received specially to assist students with the cost tuition fees.
- (iii) The Kent Youth Choir fund is a donation received from Medway Opera when it closed and relates to the unspent balance of monies received.
- (iv) Youth Music is the unspent balance of funds received from the National Foundation for Youth Music for the completion of a project.
- (v) The Arts Council England fund is funding from Arts Council England to deliver the core and extension roles of the music education hub for Kent.
- (vi) The D A Baker endowment fund is a fund left to Kent Music to support music tuition for children in West Kent. The figures in Unrestricted Funds relate to the annual income and expenditure derived from the interest earned on the capital sum.

In the current year there has been a change in the timing of the grant receivable from the Arts Council England which brings the funding in line with the academic year. Previously Grant income was confirmed as at 1 April for the 12 month period and was recognised in full at that date. Costs are considered to be incurred evenly over the term of the grant which was previously 1 April to 31 March. The outstanding balance therefore historically included 7 months of income which was to be used from September to March in line with the grant term. In the current year as at 31 August 2023 there is a balance of £2,197,399 which recognises the entire amount confirmed in accordance with the accounting policy, but takes into account no costs as the entire amount relates to the post year end period.

**Purpose of designated funds**

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.

**KENT MUSIC**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	123,444	-	-	123,444
Current assets	1,712,059	2,425,918	333,694	4,471,671
Creditors due within one year	(414,638)	-	-	(414,638)
Provisions for liabilities and charges	(20,000)	-	-	(20,000)
Difference	155,818	(155,818)	-	-
<b>Total</b>	<b>1,556,683</b>	<b>2,270,100</b>	<b>333,694</b>	<b>4,160,477</b>

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	86,288	-	-	86,288
Current assets	1,689,106	1,163,392	333,694	3,186,192
Creditors due within one year	(186,206)	-	-	(186,206)
Provisions for liabilities and charges	(20,000)	-	-	(20,000)
<b>Total</b>	<b>1,569,188</b>	<b>1,163,392</b>	<b>333,694</b>	<b>3,066,274</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

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

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	1,116,203	24,178
<b>Adjustments for:</b>		
Depreciation charges	65,765	37,003
Actuarial gains	(22,000)	-
Dividends, interests and rents from investments	(12,320)	(8,263)
Loss/(profit) on the sale of fixed assets	2,201	(206)
Decrease in stocks	-	1,003
Increase in debtors	(1,157,616)	(65,243)
Increase in creditors	228,432	3,661
Non cash Fixed Asset additions	(20,850)	-
<b>Net cash provided by/(used in) operating activities</b>	<b>199,815</b>	<b>(7,867)</b>

**19. Analysis of cash and cash equivalents**

	2023 £	2022 £
Cash in hand	1,655,975	1,528,112
<b>Total cash and cash equivalents</b>	<b>1,655,975</b>	<b>1,528,112</b>

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

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,528,112	127,863	1,655,975
Liquid investments	333,694	-	333,694
	<b>1,861,806</b>	<b>127,863</b>	<b>1,989,669</b>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**21. Provisions**

	<b>Dilapidation provision £</b>
At 1 September 2022	<b>20,000</b>
	<b>20,000</b>

**22. Actuarial gains on defined benefit pension schemes**

	<b>Pension reserve 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
<b>Net pension asset in the statement of financial position</b>			
Present value of the defined benefit obligation	1,664,000	1,664,000	2,156,000
Fair value of Fund assets	(2,255,000)	(2,255,000)	(2,334,000)
Non recognised pension surplus	591,000	591,000	178,000
<b>Total 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. 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 £44,847 (2022 - £44,582) 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 2022, and updated to the 31st August 2023.

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

	At 31 August 2023	At 31 August 2022
	%	%
Discount rate	5.40	4.25
Future salary increases	3.85	4.20
Future pension increases	2.85	3.20
RPI increases	3.35	3.70
CPI increases	2.85	3.20

	At 31 August 2023 Years	At 31 August 2022 Years
Mortality rates (in years)		
- for a male aged 65 now	20.7	21.0
- at 65 for a male aged 45 now	22.0	22.3
- for a female aged 65 now	23.2	23.5
- at 65 for a female aged 45 now	24.6	24.9

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**23. Pension commitments (continued)**

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	1,432,000	1,528,000
Gilts	13,000	14,000
Other bonds	312,000	309,000
Property	227,000	275,000
Cash and other liquid assets	24,000	40,000
Absolute return fund	162,000	168,000
Infrastructure	85,000	-
<b>Total fair value of assets</b>	<b>2,255,000</b>	<b>2,334,000</b>

The actual return on scheme assets was £(17,000) (2022 - £(31,000)).

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

	2023 £	2022 £
Interest cost	(8,000)	8,000
Administrative expenses	1,000	1,000
<b>Total amount recognised in the Statement of financial activities</b>	<b>(7,000)</b>	<b>9,000</b>

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

	2023 £	2022 £
Opening defined benefit obligation	2,156,000	2,966,000
Interest on assets	90,000	47,000
Actuarial gains	(78,000)	(539,000)
Benefits paid	(87,000)	(135,000)
Unfunded pension payments	(4,000)	(5,000)
Non recognised pension surplus	(413,000)	(178,000)
<b>Closing defined benefit obligation</b>	<b>1,664,000</b>	<b>2,156,000</b>

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

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

	2023 £	2022 £
Opening fair value of scheme assets	2,342,000	2,490,000
Actuarial losses	(100,000)	(70,000)
Contributions by employer	15,000	16,000
Contributions by scheme participants	90,000	47,000
Benefits paid	(91,000)	(140,000)
Administrative expenses	(1,000)	(1,000)
<b>Closing fair value of scheme assets</b>	<b>2,255,000</b>	<b>2,342,000</b>

**24. Operating lease commitments**

At 31 August 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	10,584	14,501
Later than 1 year and not later than 5 years	26,327	-
	<b>36,911</b>	<b>14,501</b>

In the prior year, Kent Music entered into an agreement for the purchase of the virtual freehold (999-year lease) of two units located in Javelin Way, Ashford. The purchase is being made from Kent County Council at the agreed purchase price of £1,400,000. The funding of this purchase will be made via a loan of £1,400,000 from Ashford Borough Council. The loan period will be 40 years with the interest being fixed for the duration of the loan at 3.17%. No contract had been signed as at 31 August 2023, and therefore there is no accounting implication of this arrangement in the current year beyond a £1 peppercorn rent.