

Registered number: 1673689
Charity number: 284555

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

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

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

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THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees

M Harris, Chairman
N Franke
A Jackson
A Menzies
I Neill
G Sehringer
C Robinson
R Roscoe
M Stock
N Hobdell
C Hyde
G Barnard (appointed 1 August 2015)
G Clark (appointed 1 August 2015)
C Doerge (appointed 1 August 2015)
B Soane (appointed 1 August 2015)
M Livingston (appointed 1 August 2015)
J Akers (resigned 31 July 2015)
C Morley (resigned 31 July 2015)
S Muir (resigned 31 July 2015)
D Stevens (resigned 31 July 2015)
C Stretton (resigned 31 July 2015)
D Tomlin (resigned 31 July 2015)
A Ward (resigned 31 July 2015)

The Trustees who retire by rotation are: A Menzies and M Stock who, being eligible, offer themselves for re-election.

Company registered number

1673689

Charity registered number

284555

Registered office

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

Chief executive officer

Philip Litchfield (retired 31 December 2015)
Lynne Ellis (from 1 January 2016)

Independent auditor

James Cowper Kreston, Mill House, Overbridge Square, Hambridge Lane, Newbury, Berkshire, RG14 5UX

Bankers

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

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Solicitors

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

Actuaries

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

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees, (who are all Directors of the charity for the purposes of the Companies Act), present their annual report together with the audited financial statements of the Berkshire Young Musicians Trust (the company) for the year ended 31st August 2015. The Trustees confirm that the Annual report and financial statements of the company comply with the Companies Act 2006 and the Charities Act 2006, have been prepared in accordance with the revised Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) and comply with the company's memorandum and articles of association, which is the charity's governing document.

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

OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE CHARITY

Objectives

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

On behalf of Arts Council England Berkshire Maestros leads the Berkshire Music Hub and is responsible for the delivery of the National Music Plan within Berkshire.

The objectives are delivered through individual and group tuition in voice and an unrivalled variety of instruments in schools and in 5 area music centres. This is supplemented by a wide range of ensembles and other extension activities at all levels. Services are contracted directly to parents and carers of students, to schools and to Arts Council England who are responsible for the distribution and management of the Government Music Grant.

Public Benefit

The Trustees review Berkshire Maestros' Public Benefit commitments annually. The services provided: music education and promotion of the arts, are both defined within the Charities Act 2006 as charitable activities. The Trust has comprehensive anti-discriminatory policies that are regularly reviewed to ensure compliance. These policies include all discrimination including financial hardship for which a number of restricted funds have been created to assist students from such backgrounds. Provision of financial assistance is not limited to students of families who qualify for assistance from the 'Pupil Premium'. The Trustees recognise that students from families whose income is only a little above the level to qualify for 'Pupil Premium' but have to contend with the high cost of living in Berkshire, may also require support and these applications are looked upon favourably.

2015 OPERATIONAL REVIEW

2014-2015 has seen Berkshire Maestros continue to deliver successfully the National Music Plan for children and young people in Berkshire despite ongoing challenging financial circumstances. We lead a very highly regarded, low risk music hub (as assessed by Arts Council England), which maintains outstanding delivery of music education. We achieved this whilst being accessible to all interested children and young people and increasing our reputation for excellence at a national and international level.

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

At the heart of the vibrant music hub are a number of strong partnerships with local and national organisations. These add significant value to Berkshire's music making and provide excellent opportunities for our students. In March 2015 young people from most of the secondary schools in Windsor and Maidenhead came together with the Berkshire Youth Choir, the newly formed Camerata Chamber string orchestra for the county's best string players and international cellist Raphael Wallfisch to perform in St George's Chapel Windsor as part of the Windsor International Spring Festival. Our county choirs worked with the BBC Singers and recorded a programme including new work for live broadcast on BBC Radio 3. The county choirs also performed in partnership with the choirs of Jesus and Clare Colleges Cambridge in King's College Chapel. Our County Guitar Orchestra performed with international guitar superstar Craig Ogden in Manchester and several of our ensembles took part in the National Festival of Music for Youth. We supported our Hub Partners Culture Mix to promote a highly successful schools steel band festival.

Every week we teach more than 14,000 children and young people in schools and music centres. These numbers include a First Access programme that offers every Berkshire Key Stage 2 school the opportunity for a year group of children to experience learning to play a musical instrument for at least two terms. The numbers continuing into ongoing learning at the end of their free lessons increased last year from 1,747 to 1,949. As part of our ongoing programme of raising standards, we promoted competitions to find the Young Singer of the Year and the Young String Player of the Year. We also brought together percussionists from across the County for a specialist percussion day.

The 5 Music Centres continue to be the focus of much activity and they provide a vibrant, noisy and stimulating environment in which to make music. During the summer their senior ensembles took part in European tours. The centres make available a full range of ensembles progressing from beginner to those for the most able and experienced students. A key part of the ensemble experience is performing in concerts, with most ensembles performing at least twice during the year. To extend this experience, schools' music projects, including both First Access and other projects, are invited to perform with Berkshire Maestros' own groups which has provided some inspirational moments.

Large scale performances remain a visible reflection of the impact of the organisation with massed Christmas Concerts, Junior Music Festivals; and the Big Guitar Thing. More than 7,000 children and young people participated in such events during the year.

In addition to the core activities described above, we have continued to build on and extend a number of targeted initiatives during the year. Our Register of Exceptional Musical Ability has more than doubled in size as we seek to identify those with exceptional potential for, and ability in, music from a young age. The programme of support and extension activities has enabled us to ensure that we target financial resources more effectively and ensure that a child from a disadvantaged background can still achieve their full musical potential.

Building from the Register is the Academy on Sunday programme that six times a year brings the most gifted and talented young musicians across the county together to work on projects with some of the country's finest professionals. This programme is targeted at the 8 to 13 age range. Examples of the challenging programme of events for these young people are the joint workshop and performance with the Royal Philharmonic Orchestra 'Resound' team, composer Soosan Lolavar as part of the 150 anniversary celebrations of the Reading Concert Hall, and the brass festival with 'Superbrass'. This work was made possible by a generous grant from the Andrew Lloyd Webber Foundation.

We continue to offer targeted support to schools including our Learn it Live programme for A level students; the Special Schools Superstars programme; the development of subject leader networks; and much more. As a charity we support a number of external organisations and initiatives ranging from Children in Need to Brass for Africa. We worked closely with the organisation Sing Healthy and promoted joint concerts including a performance of 'The Armed Man'.

Our ground-breaking Pantomimus Early Years music programme continues to develop and expand. This project has involved creating a 'pop-up' space for music making. This space was painted by a local artist.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

An ongoing challenge for the charity has been in recruiting and retaining sufficient high quality teaching staff. We were unable to fulfil all of our potential teaching requests in several curricular areas with the result that there was a very large waiting list throughout the year and the subsequent loss of income. As a result we have initiated a 'paid intern' scheme. This has involved visiting all of the country's major conservatoires, talking with final year students and their staff and doing our best to recruit the very best potential teachers we could find. We interviewed more than 50 people and offered work to 13 successful candidates who started in September 2015.

At the beginning of the year the roof at our headquarters continued to leak badly and the scheduled replacement of the single storey roof was completed. In addition we also had to undertake extensive boiler repairs.

The Trustees would like to express their grateful thanks to the hard work and dedication of the staff of Berkshire Maestros who continue to deliver outstanding work on behalf of the children and young people of Berkshire.

The coming year will see the retirement of Philip Litchfield as CEO of Berkshire Maestros. The Board of Trustees would like to place on record their grateful thanks to Philip for his hard work and dedication to the organisation. He will be replaced by the current deputy Lynne Ellis as from 1st January 2016.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The financial results are set out in the Statement of Financial Activities on page 12 and show a deficit in net expenditure for the year of £128k (2014: £91k).

In order to comply with accounting standards and, in particular FRS17 Retirement Benefits, resources expended include a charge of £60k (2014: £87k) for pension costs relating to the Defined Benefit Pension Scheme for administrative staff. This accounting standard requires that the pensions' liability is recognised as the benefits are earned, not when they are due to be paid, and accordingly an estimate of the liabilities accrued for the period is provided by the scheme's actuary (for full details see Note 23). This adjustment is calculated at year-end and is not monitored throughout the year when reviewing the operating finances of the organisation. The total value of the pension scheme liability at 31 August 2015 is £1,134k (2014: £1,080k) as shown in the balance sheet.

For operational purposes the Trustees use the "Operating surplus/(deficit)" of the unrestricted funds as a more meaningful performance measure. The unrestricted operating deficit for the period was £63,927 as shown below:

	2015		2014	
	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Restricted £'000
Income	3,398	896	3,322	855
Expenditure	(3,462)	(900)	(3,307)	(874)
Operating deficit	(64)	(4)	15	(19)
FRS17 adjustment	(60)		(87)	-
Net expenditure	(124)	(4)	(72)	(19)

The Trustees consider this to be a reasonable performance given ongoing financial and resourcing constraints. The principal movements in Income and Expenditure for the year were:

Income

- Voluntary donations and grant income are £32k higher than in the previous year at £116k (2014: £84k). The Trustees express their sincerest thanks to all those donors and organisations that have supported Berkshire Maestros during the year.
- Fee income increased by £64k to £2,930k (2014: £2,866k) due to increased pupil numbers. Charges to parents were held at the previous year's rate in recognition of the challenging economic environment.
- Government funding increased by £20k to £800k (2014: £780k) with Arts Council England funding secured until March 2016.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Expenditure

- Charitable support in the form of fee assistance to parents and carers decreased slightly by £5k to £157k (2014: £162k).
- Teaching costs increased by £105k to £3,245k (2014: £3,140k) as more teaching staff were employed to provide increased capacity. The breakdown of teaching costs shows a decrease in fees paid to self-employed tutors (£90k lower) and an increase in salaries paid to teachers (£208k higher) as permanent staff were recruited to meet the shortfalls in teacher numbers experienced during the previous year. A teachers' pay rise of 1% was awarded.
- Fundraising and publicity costs increased by £41k to £69k (2014: £28k) due to the recruitment of a dedicated member of staff specialising in this area.
- Support and administration costs decreased by £52k. Premises costs totalled £22k (2014: £15k) and include the costs of emergency boiler repairs and redecoration works at the Reading Music Centre. A full flat roof replacement of a section of the building was completed during the year at a cost of £147k. The roof costs have been capitalised with depreciation being charged at 2% of cost.

Cashflow has remained strong during the year with cash balances at the year-end of £1,058k (2014: £1,022k).

In order to support students from families that are financially challenged, Berkshire Maestros actively raises funds and sources of finance for hardship funds. During the year £15k was raised specifically for these funds with the same amount paid in support of such students. The balance of funds carried forward to provide future support amounted to £39k.

Looking ahead, funding continues to be a key area of concern as the value of the Arts Council England contribution after March 2016 has yet to be confirmed. As a result, proactively applying for and securing new and additional sources of finance remains a priority for the organisation. On a positive note, the number of new students applying for lessons is steady and the demand for both parent paid lessons and school music programmes is strong. The challenge is to use the teacher time available as effectively as possible to meet this demand. As such, the recruitment and retention of high quality teaching staff across all areas of the curriculum will remain a key priority in the coming year.

Reserves Policy

The Trustees consider it prudent to maintain adequate reserves to ensure that the Trust, in the event of unforeseen circumstances, can continue to carry out its charitable objectives by maintaining an appropriate level of service and can honour its other existing commitments. The policy is reviewed annually by the Trustees and the level of reserves assessed in light of prevailing conditions and known risks to the Charity's sources of funds.

Structure, governance and management

Trustee Board

The Trust is managed by a Trustee Board. Twelve of the seats on the Board of Trustees are reserved (as detailed below) with other appointments at the discretion of the Board. The Board is ultimately responsible for the activities and performance of the Trust. However, day to day executive management is delegated to the Chief Executive supported by a Senior Management Team.

Reserved seats are currently filled as follows (with 5 vacancies).

Participating Unitary Authorities: G Bernard (Bracknell Forest), M Livingston (Reading), C Doerge (W Berkshire), G Clark (Windsor and Maidenhead), B Soane (Wokingham).

Parents associations: N Hobdell (Newbury), G Sehringer (Bracknell).

Nine seats on the Board are currently occupied by other persons who have been invited to stand as Trustees by the full Board. Additional board members who can demonstrate relevant experience and skills required by the Trust will be invited to join the board.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Election and Appointment of Trustees

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

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

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

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

Governance

The full Board meets at least 6 times a year to consider overall performance and future direction and strategy. The CEO, members of the Senior Management Team and Committees comprising Trustees, CEO and other appropriate senior managers, support the Board by considering matters in greater depth and maintaining a closer link with the Trust's executive management. These committees generally have "non-executive" roles, except where financial and operational control procedures require Trustee level authorisation.

The main Committees and their areas of responsibility are:

- a) Chair's Committee - Committee co-ordination, consideration of corporate plans and strategy, overview of Board business. Meets on an adhoc basis as required.
- b) Finance and Property - Monitoring and reviewing operational and financial performance together with ensuring appropriate financial controls are in operation. Additionally it has responsibility for risk management, governance and the statutory audit.
- c) Curriculum and Quality Assurance - Overview of curriculum, schemes of work and study programmes for activities in Music Centres and schools together with teaching and pupil learning quality monitoring.
- d) Staffing and Remuneration – Consideration and approval of organisational structures, staff management policies including grievance, disciplinary and appeals procedures, employment terms and conditions of service and approval of pay awards. This committee is also responsible for the Chief Executive's objective setting, annual appraisal and recommending his remuneration to the full Board.
- e) Marketing and Development – Establishing marketing strategies and practices, internal and external communications and business development initiatives including external fundraising.
- f) Health and Safety – This committee is responsible for ensuring that Maestros meets all its statutory, legal and moral obligations for Health and Safety and adopts best practice procedures to ensure the safety and well-being of pupils, teachers and staff.

Trust Investments

Trustees are authorised under the Memorandum of Association to invest funds not immediately required to fund working capital in investments, securities or property. All investment activities involve risk and the Trustees have adopted a policy that any investments should have minimum risk. Accordingly all funds not required for working capital are invested in bank deposit accounts. Overall responsibility for investment decisions lies with the Trustees. However, day to day management of investment activities is delegated to the Finance Manager who reports to Trustees on performance through the monthly management reporting processes.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Risk Management

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

Health & Safety and Child Protection

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

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

Berkshire Maestros adopt the current requirements of the Home Office and Department of Education to arrange for registration and Enhanced DBS checks for all new staff together with at least two satisfactory references and interview, followed by a probationary period. All staff are required to complete a "Declaration of Disqualification" and undergo prevent training. We hold on file and verify all personal, right to work, medical and disqualification checks in line with OFSTED including home address and NI number- in line with the July 2015 DfE Guidance – Keeping children safe in education. DBS's are regularly rechecked for all staff.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The Berkshire Young Musicians Trust 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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 company'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 information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, James Cowper Kreston, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report was approved by the Trustees on 19/1/2016 and signed on their behalf by:



C Hyde

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

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

We have audited the financial statements of The Berkshire Young Musicians Trust (operating as Berkshire Maestros) for the year ended 31 August 2015 set out on pages 12 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

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 2015 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Mill House
Overbridge Square
Hambridge Lane
Newbury
Berkshire
RG14 5UX

Date:

3/2/2016

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)
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STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	96,177	20,090	116,267	83,895
Investment income	3	3	2,296	2,299	3,496
Incoming resources from charitable activities:					
Fees	5	-	2,930,179	2,930,179	2,866,514
Government funding		799,750	-	799,750	779,808
Other music related activities	6	-	428,435	428,435	410,990
Gift Aid arrears	7	-	-	-	9,503
Other incoming resources		-	17,425	17,425	23,064
TOTAL INCOMING RESOURCES		895,930	3,398,425	4,294,355	4,177,270
RESOURCES EXPENDED					
Costs of generating funds:					
Fund raising & publicity	9	-	69,260	69,260	27,675
Charitable activities:					
Charitable financial support	10	72,929	83,861	156,790	162,480
Teaching costs	11	757,353	2,487,931	3,245,284	3,140,118
Music related costs	12	45,563	595,285	640,848	622,367
Events, courses, concerts & tours		24,250	212,257	236,507	215,564
FRS 17 Pension adjustment		-	60,000	60,000	87,000
Governance costs	13	-	13,758	13,758	13,200
TOTAL RESOURCES EXPENDED		900,095	3,522,352	4,422,447	4,268,404
NET EXPENDITURE BEFORE TRANSFERS		(4,165)	(123,927)	(128,092)	(91,134)
Transfers between funds	21	94	(94)	-	-
NET EXPENDITURE FOR THE YEAR		(4,071)	(124,021)	(128,092)	(91,134)
Actuarial gains and losses on Defined Benefit Pension Scheme	23	-	6,000	6,000	44,000
NET MOVEMENT IN FUNDS FOR THE YEAR		(4,071)	(118,021)	(122,092)	(47,134)
Total funds at 1 September 2014		61,083	269,884	330,967	378,101
TOTAL FUNDS AT 31 AUGUST 2015		57,012	151,863	208,875	330,967

All activities relate to continuing operations.

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

The notes on pages 14 to 29 form part of these financial statements.

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)

(A company limited by guarantee)
REGISTERED NUMBER: 1673689

**BALANCE SHEET
AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	18		808,793		693,310
CURRENT ASSETS					
Debtors	19	110,177		103,030	
Cash at bank and in hand		1,057,544		1,022,450	
			<u>1,167,721</u>	<u>1,125,480</u>	
CREDITORS: amounts falling due within one year	20		(633,639)	(407,823)	
			<u>534,082</u>		717,657
NET CURRENT ASSETS			<u>534,082</u>		717,657
TOTAL ASSETS LESS CURRENT LIABILITIES			1,342,875		1,410,967
Defined benefit pension scheme liability	23		(1,134,000)		(1,080,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>208,875</u>		<u>330,967</u>
CHARITY FUNDS					
Restricted funds	21		57,012		61,083
Unrestricted funds:	21				
Unrestricted funds excluding pension liability		1,285,863		1,349,884	
Pension reserve		(1,134,000)		(1,080,000)	
Total unrestricted funds			<u>151,863</u>		269,884
TOTAL FUNDS			<u>208,875</u>		<u>330,967</u>

The financial statements were approved by the Trustees on behalf, by:

19/1/2016

and signed on their



C Hyde

The notes on pages 14 to 29 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Income

Fees

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

Voluntary income

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

Donations made for other specific purpose are treated as restricted funds and are matched against the cost of delivering the required service or purpose.

Government funding

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

Events, courses, concerts and tours

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.3 Costs

Berkshire Maestros is not registered for VAT and as such is unable to reclaim VAT on expenditure. Consequently expenditure is recorded gross of any VAT charged and allocated to the appropriate category of expenditure.

Teaching costs

Teaching costs represent the costs involved with providing music lessons, ensembles and other associated activities. Additionally a proportion (88%) of support costs is attributed to teaching costs (see note 14).

Music related costs

Music related costs represent amounts directly incurred in order to provide musical tuition, as well as associated overheads. A proportion (12%) of the support costs, which cannot be directly associated to specific headings is attributed to music costs (see note 14).

Governance costs

Governance costs are the costs of governance arrangements, which relate to the general running of the Trust. These activities provide the governance infrastructure which allows the Trust to operate and to generate the information required for public accountability. These include the cost of carrying out meetings, the external audit function and professional advice obtained on behalf of the Trustees.

Fundraising and publicity costs

Fundraising and publicity expenditure represents the direct costs of fundraising as well as costs of marketing the charity.

1.4 Tangible fixed assets and depreciation

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	At 2% of cost
Fixtures & fittings	-	At between 20% and 33% of cost
Computer & office equipment	-	At 33% of cost
Musical instruments	-	At 20% of cost

1.5 Operating leases

Operating lease rentals are expensed as incurred.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.6 Pensions

Teaching staff employed by The Berkshire Young Musicians Trust are eligible for membership of the Teachers' Pension Scheme, which is a national, statutory, contributory, unfunded defined benefit scheme administered by the Teachers Pension Agency, an executive agency of the Department for Education. Pension costs are assessed in accordance with the advice of the Government Actuary. As this is a multi-employer scheme whose assets and liabilities are not separately identifiable, under Financial Reporting Standard 17 "Retirement Benefits" it is treated as a defined contribution scheme with a charge to the accounts for the contributions paid and relevant disclosures about the scheme as a whole provided in Note 23.

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

Actuarial gains and losses arising from updating the latest actuarial valuation to reflect conditions at the balance sheet date are recognised in the gains and losses section of the Statement of Financial Activities. More details are included in Note 23.

1.7 Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in note 21 to the financial statements.

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

2. VOLUNTARY INCOME

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	4,830	5,122	9,952	9,717
Grants	91,347	14,968	106,315	74,178
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	96,177	20,090	116,267	83,895
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE BERKSHIRE YOUNG MUSICIANS TRUST (OPERATING AS BERKSHIRE MAESTROS)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

3. INVESTMENT INCOME

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest received	3	2,296	2,299	3,496
	<u>3</u>	<u>2,296</u>	<u>2,299</u>	<u>3,496</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Fees	-	2,930,179	2,930,179	2,866,514
Government funding	799,750	-	799,750	779,808
Other music related activities	-	428,435	428,435	410,990
Gift Aid arrears	-	-	-	9,503
	<u>799,750</u>	<u>3,358,614</u>	<u>4,158,364</u>	<u>4,066,815</u>

5. FEES

	2015 £	2014 £
Lessons & ensembles	2,862,314	2,804,903
Gift Aid - (current year)	49,896	50,000
Other fees	17,969	11,611
Total	<u>2,930,179</u>	<u>2,866,514</u>

Financial support in the form of fee assistance, fee remissions and awards is included in expenditure as Charitable financial support (note 10).

6. OTHER MUSIC RELATED INCOME

	2015 £	2014 £
Examination Fees	65,503	57,844
Instrument income	97,347	90,809
Tours	143,098	120,925
Concerts	89,569	124,693
Courses & workshops	32,918	16,719
Total	<u>428,435</u>	<u>410,990</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. GIFT AID ARREARS

During the year £Nil (2014: £9,503) of Gift Aid was claimed on ensemble membership fees for the previous 3 financial years. The amount relating to the current year has been included in Fees (see note 5).

8. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other £	Depreciation £	2015 £	2014 £
Cost of Generating Funds					
Fund raising & publicity	48,294	20,966	-	69,260	27,675
Charitable Activities					
Charitable support	-	156,790	-	156,790	162,480
Teaching costs	3,019,273	194,716	31,295	3,245,284	3,140,118
Music related costs	308,474	303,934	28,440	640,848	622,367
Events, courses, concert & tours	-	236,507	-	236,507	215,564
FRS 17 Pension adjustment	-	60,000	-	60,000	87,000
Governance costs	(6,707)	20,465	-	13,758	13,200
Total	3,369,334	993,378	59,735	4,422,447	4,268,404

9. FUNDRAISING & PUBLICITY COSTS

	2015 £	2014 £
Printing & stationery	17,048	18,345
Marketing & advertising	1,959	823
Subscriptions & publications	1,959	1,215
Salaries & National Insurance contributions	41,535	6,259
Pension contributions	6,759	1,033
Total	69,260	27,675

10. CHARITABLE SUPPORT

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Fee assistance	56,430	83,861	140,291	141,541
Hardship funds	15,299	-	15,299	20,039
Awards	1,200	-	1,200	900
Total	72,929	83,861	156,790	162,480

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

11. TEACHING COSTS

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Salaries & National Insurance contributions	599,805	1,345,255	1,945,060	1,737,230
Fees to self employed tutors	-	375,996	375,996	465,844
Pension contributions	-	239,444	239,444	217,530
Travel & subsistence	-	97,772	97,772	82,702
Services delivered by Partners	9,742	-	9,742	13,825
Support & administration costs (note 14)	147,806	429,464	577,270	622,987
Total	757,353	2,487,931	3,245,284	3,140,118

12. MUSIC RELATED COSTS

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Salaries & National Insurance contributions	-	215,059	215,059	223,095
Pension contributions	-	30,855	30,855	28,673
Travel & subsistence	-	4,012	4,012	3,392
Rent & room hire	-	175,866	175,866	158,014
Instrument purchases	16,495	18,914	35,409	29,315
Other instrument costs including depreciation	8,913	19,151	28,064	30,470
Examination costs	-	63,804	63,804	55,790
Music purchases	-	210	210	334
Other music related costs	-	8,850	8,850	8,331
Support & administration costs (note 14)	20,155	58,564	78,719	84,953
Total	45,563	595,285	640,848	622,367

13. GOVERNANCE COSTS

	Total funds 2015 £	Total funds 2014 £
Auditor remuneration	12,726	11,400
Other professional fees	1,032	1,800
Total	13,758	13,200

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

14. SUPPORT & ADMINISTRATION COSTS

	Restricted Funds 2013 £	Unrestricted Funds 2013 £	2015 £	2014 £
Salaries & National Insurance contributions	159,963	291,646	451,609	479,083
Pension contributions	-	69,034	69,034	73,255
Travel & subsistence	-	2,219	2,219	3,483
Equipment & maintenance	-	25,090	25,090	44,288
Postage	-	3,557	3,557	9,841
Communications	-	14,536	14,536	21,292
Staff training, welfare & health & safety	7,998	6,865	14,863	16,949
Recruitment	-	8,747	8,747	3,324
Insurance	-	15,611	15,611	14,051
Bad debts	-	8,134	8,134	11,066
Bank charges	-	3,733	3,733	2,411
Professional fees	-	625	625	595
Premises costs	-	21,862	21,862	17,698
Depreciation	-	16,369	16,369	10,604
Total	167,961	488,028	655,989	707,940

Support and administration costs are split between teaching costs and music related costs in the ratio of 88% and 12% respectively. The total allocated is: teaching costs £577,270 (2014: £622,987) and music related costs £78,719 (2014: £84,953).

15. NET EXPENDITURE

This is stated after charging:

	2015 £	2014 £
Auditor's remuneration	11,514	11,400
Other fees to auditors	1,212	1,800
Depreciation of tangible fixed assets: - owned by the charity	59,735	60,359
	<u>72,461</u>	<u>73,559</u>

16. STAFF COSTS

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,498,086	2,306,545
Social security costs	155,177	139,122
Other pension costs	346,092	320,491
Total	2,999,355	2,766,158

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

STAFF NUMBERS

	2015 No	2014 No
Management & administration	30	32
Full time teachers	52	42
Part time teachers	36	39
Total	118	113

The number of higher paid employees was:

	2015 No	2014 No
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
Total	1	1

17. DIRECTORS AND OTHER EMPLOYEES

The highest paid Trustee received remuneration of £NIL (2014 - £NIL).

18. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures & fittings £	Computer & office equipment £	Musical instruments £	Total £
Cost					
At 1 September 2014	891,953	45,010	144,975	431,881	1,513,819
Additions	146,747	-	14,332	14,139	175,218
Disposals	-	(7,913)	-	-	(7,913)
At 31 August 2015	1,038,700	37,097	159,307	446,020	1,681,124
Depreciation					
At 1 September 2014	291,964	41,694	121,893	364,958	820,509
Charge for the year	18,174	1,018	16,370	24,173	59,735
On disposals	-	(7,913)	-	-	(7,913)
At 31 August 2015	310,138	34,799	138,263	389,131	872,331
Net book value					
At 31 August 2015	728,562	2,298	21,044	56,889	808,793
At 31 August 2014	599,989	3,316	23,082	66,923	693,310

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

19. DEBTORS

	2015	2014
	£	£
Amounts due in relation to tuition fees	6,796	19,207
Other debtors	74,649	62,389
Prepayments and accrued income	28,732	21,434
	110,177	103,030
	110,177	103,030

20. CREDITORS:
Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	3,082	8,371
Other taxation and social security	48,738	46,095
Other creditors	42,734	42,092
Accruals and deferred income	539,085	311,265
	633,639	407,823
	633,639	407,823
		£
Deferred income		
Deferred income at 1 September 2014		257,033
Amounts released from previous years		(257,033)
Income deferred in the year		499,633
		499,633
Deferred income at 31 August 2015		499,633

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

21. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
IT development fund	14,000	-	-	-	-	14,000
Building maintenance	39,982	-	-	-	-	39,982
Tour funds	21,131	-	-	-	-	21,131
	<u>75,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,113</u>
General funds						
General funds - all funds	1,274,771	3,398,425	(3,462,352)	(94)	-	1,210,750
Pension reserve	(1,080,000)	-	(60,000)	-	6,000	(1,134,000)
	<u>194,771</u>	<u>3,398,425</u>	<u>(3,522,352)</u>	<u>(94)</u>	<u>6,000</u>	<u>76,750</u>
Total Unrestricted funds	<u>269,884</u>	<u>3,398,425</u>	<u>(3,522,352)</u>	<u>(94)</u>	<u>6,000</u>	<u>151,863</u>
Restricted funds						
Hardship Funds:						
Sponsor A Child	17,083	1,201	(5,415)	-	-	12,869
UA disadvantage funds	22,327	13,400	(9,147)	-	-	26,580
MECMA charity fund	3,377	-	(736)	(2,641)	-	-
Instrument Funds:						
FMS instrument fund	3,389	-	(3,389)	-	-	-
Donated instruments	13,087	-	(5,524)	-	-	7,563
Other Funds:						
Robina Dallmeyer Memorial	1,820	373	(1,214)	-	-	979
ACE funding	-	799,750	(799,750)	-	-	-
Grants received	-	20,650	(21,150)	500	-	-
Youth music	-	31,150	(31,150)	-	-	-
Pantomimus	-	29,000	(22,620)	2,641	-	9,021
Roof appeal	-	406	-	(406)	-	-
	<u>61,083</u>	<u>895,930</u>	<u>(900,095)</u>	<u>94</u>	<u>-</u>	<u>57,012</u>
Total of funds	<u><u>330,967</u></u>	<u><u>4,294,355</u></u>	<u><u>(4,422,447)</u></u>	<u><u>-</u></u>	<u><u>6,000</u></u>	<u><u>208,875</u></u>

Hardship Funds

Hardship funds represent donations made to Berkshire Maestros and amounts transferred from unrestricted funds specifically to support students for the cost of tuition and other related costs.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

21. STATEMENT OF FUNDS (continued)

Instrument Funds

Monies from the Federation of Music Services (FMS) were for the provision of instruments under the First Access scheme (formerly "Wider Opportunities" scheme). The value of the Instrument Fund represents the net book value of instruments.

Arts Council England Funding

Berkshire Maestros is in receipt of a 3 year allocation of Central Government funding paid via Arts Council England to deliver the National Music Plan. The grant is allocated to Berkshire Maestros as leader of the Berkshire Music Hub. This has been extended by a further year to 31 March 2016.

Grants

Grants comprise small grants received under restricted terms.

Pantomimus

The Pantomimus project is funded by grants from MECMA. It is a programme for pre-school children - creating a space in which they can make music.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	75,113	-	-	-	-	75,113
General funds	194,771	3,398,425	(3,522,352)	(94)	6,000	76,750
	<u>269,884</u>	<u>3,398,425</u>	<u>(3,522,352)</u>	<u>(94)</u>	<u>6,000</u>	<u>151,863</u>
Restricted funds	61,083	895,930	(900,095)	94	-	57,012
	<u>330,967</u>	<u>4,294,355</u>	<u>(4,422,447)</u>	<u>-</u>	<u>6,000</u>	<u>208,875</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	7,563	801,230	808,793	693,310
Current assets	49,449	1,118,272	1,167,721	1,125,480
Creditors due within one year	-	(633,639)	(633,639)	(407,823)
Provisions for liabilities and charges	-	(1,134,000)	(1,134,000)	(1,080,000)
	<u>57,012</u>	<u>151,863</u>	<u>208,875</u>	<u>330,967</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. PENSION COMMITMENTS

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in qualifying employment and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £259k (2014: £243k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2014, is contracted out of the State Second Pension and currently provides benefits based on career average revalued salary and length of service on retirement.

The assets of the scheme are held separately from those of the company, in the Royal County of Berkshire Pension Fund.

This fund was established under an irrevocable Deed of Trust by The Berkshire Young Musicians Trust for

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23. PENSION COMMITMENTS (continued)

its employees. The fund is administered by The Royal Borough of Windsor and Maidenhead who are accountable to the pension fund members.

Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over the employees' working lives with the company. The pension charge for the period was £144k (2014: £167k). This comprises current year service cost of £129k (2014: £124k) and net finance costs of £15k (2014: £43k). Employer contributions in the year were £84k (2014: £80k) and contributions by scheme participants were £30k (2014: £30k).

The pension cost relating to this fund is assessed every three years in accordance with the advice of a qualified actuary using the projected unit method. The most recent valuation of The Royal County of Berkshire Pension Fund was carried out as at 31 March 2013. It indicated that, on a basis of service to date and current salaries, the future liabilities exceeded the scheme assets by £527 million. This represented a significant change over the previous valuation where scheme liabilities exceeded scheme assets by £311 million. At 31 March 2013 the fund had total assets of approximately £1,572 million at market value and liabilities of £2,099 million.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2016 and will set contributions for the period from 1 April 2017 to 31 March 2020. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

Present values of scheme liabilities, fair value of assets and deficit, recognised in the balance sheet

	31 August 2015	31 August 2014
	£'000	£'000
Fair value of scheme assets	1,455	1,372
Present value of scheme liabilities	(2,589)	(2,452)
Surplus / (deficit) in scheme	(1,134)	(1,080)
Net asset / (liability) recognised in the balance sheet	(1,134)	(1,080)

Expected long-term rates of return

The expected return of assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equity and property are then assumed to be a margin above gilt yields.

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**NOTES TO THE FINANCIAL STATEMENTS
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Amounts for the current and previous 3 periods

	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Fair value of assets	1,455	1,372	1,148	993
Defined benefit obligation	(2,589)	(2,452)	(2,185)	(1,871)
Surplus / (deficit)	(1,134)	(1,080)	(1,037)	(878)
Liability recognised	(1,134)	(1,080)	(1,037)	(878)
Experience adjustment on scheme liabilities	-	-	-	-
Percentage of liabilities (%)	-	-	-	-
Experience adjustment on scheme assets	(50)	101	37	(13)
Percentage of assets (%)	(3)	7	3	(1)
Cumulative actuarial gains and losses	<u>(466)</u>	<u>(472)</u>	<u>(516)</u>	<u>(423)</u>

Estimate of contributions to be paid to the scheme

The estimate of contributions to be paid to the scheme for the year ending 31 August 2016 is £90k.

The projected pension expense for the year ending 31 August 2016 is £172k, comprising service cost of £127k, net interest cost of £44k and administration expenses of £1k.

**Reconciliation of opening and closing balances of the present value of the scheme liabilities
(defined benefit obligation)**

	31 August 2015 £'000	31 August 2014 £'000
Scheme liabilities at start of period	2,452	2,185
Current service cost	129	124
Interest cost	97	105
Contributions by scheme participants	30	30
Actuarial (gains) / losses	(56)	57
Benefits paid, net of transfers in	(63)	(49)
Scheme liabilities at the end of the period	<u>2,589</u>	<u>2,452</u>

Reconciliation of opening and closing balances of the fair value of scheme assets

	31 August 2015 £'000	31 August 2014 £'000
Fair value of scheme assets at start of period	1,372	1,148
Expected return on scheme	82	62
Actuarial losses / (gains)	(50)	101
Contributions by employer	84	80
Contributions by scheme participants	30	30
Benefits paid, net of transfers in	(63)	(49)
Fair value of scheme assets at the end of the period	<u>1,455</u>	<u>1,372</u>

The actual return on the scheme assets over the year was £32k (2014: £112k).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

Total expense recognised in the statement of financial activities

	31 August 2015	31 August 2014
	£'000	£'000
Current service cost	129	124
Interest cost	97	105
Expected return on scheme assets	(82)	(62)
	<u>144</u>	<u>167</u>
Total expense recognised in the statement of financial activities	<u>144</u>	<u>167</u>

Total actuarial gains and losses recognised in the Statement of Financial Activities

	31 August 2015	31 August 2014
	£'000	£'000
Difference between expected and actual return on scheme assets	(50)	50
Experience gains and losses arising on scheme liabilities	-	116
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	56	(122)
	<u>6</u>	<u>44</u>
Total actuarial gains and losses recognised in the Statement of Financial Activities	<u>6</u>	<u>44</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since 1 September 2005 is £466k (loss).

Assets

	31 August 2015	31 August 2014
	£'000	£'000
Total assets	<u>1,455</u>	<u>1,372</u>

None of the fair values of the assets shown above include any of the charity's own financial instruments or any property occupied by, or other assets used by, the charity.

ASSUMPTIONS

	31 August 2015	31 August 2014
	% p.a	% p.a
Inflation - RPI	3.50%	3.40%
Inflation - CPI	2.60%	2.60%
Salary increases	4.40%	4.40%
Pension increases	2.60%	2.60%
Expected rate of return on scheme assets	N/A	5.90%

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

MORTALITY ASSUMPTIONS

The mortality assumptions adopted at 31 August 2015 imply the following life expectancies from age 65 years:

	31 August 2015	31 August 2014
Retiring today		
Males	22.8	22.7
Females	26.1	26.0
Retiring in 20 years		
Males	25.1	24.9
Females	28.4	28.3

24. OPERATING LEASE COMMITMENTS

At 31 August 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2015 £	Other 2014 £
	2015 £	2014 £		
Expiry date:				
Within 1 year	21,303	38,250	1,958	-
Between 2 and 5 years	39,350	-	5,780	8,047
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

25. INDEMNITY INSURANCE

Funds of the charity amounting to £775 (2014: £806) have been used in the purchase of insurance to protect the charity from loss arising out of neglect or defaults of its directors or officers and to indemnify its directors or officers against the consequences of any neglect or default on their part.

26. RELATED PARTY TRANSACTIONS

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

	2015 £	2014 £
G Sehringer	2,187	2,326
C Hyde	496	714
J Akers	-	1,491
N Hobdell	-	929
	<u> </u>	<u> </u>

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

27. GUARANTEES

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