

**Company Number: 07667445**  
**Registered Charity Number: 1143420**

**Sheffield Music Academy**

**Annual Report and Unaudited Financial Statements**

**For the year ended 31 July 2019**



## **Sheffield Music Academy**

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## Sheffield Music Academy

### Trustees' Report (incorporating the Directors' annual report) for the year ended 31 July 2019

Sheffield Music Academy (the Academy) is a charitable company limited by guarantee. The Directors are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees present their report with the independently examined financial statements of the charitable company for the year ending 31 July 2019 in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have also adopted Charities SORP (FRS 102) Bulletin 1.

#### REFERENCE AND ADMINISTRATIVE DETAILS

<b>Date of incorporation</b>	13 June 2011	
<b>Company registration no.</b>	07667445	
<b>Date of registration</b>	17 August 2011	
<b>Charity registration no.</b>	1143420	
<b>Patrons</b>	Ms E Watts Mr R Wigglesworth	
<b>Trustees during period</b>	Mr J Armstrong Ms T Cooper (Chair)  Mr I Falconer  Ms A Olusoga Ms E Pieters Ms E Underwood	<i>co-opted 12 June 2016, appointed 3 April 2017 appointed 13 June 2011, re-appointed 5 April 2016 and 21 January 2019 appointed 6 December 2013, re-appointed 5 April 2016 and 21 January 2019 co-opted 12 June 2016, appointed 3 April 2017 appointed 26 March 2018 co-opted 12 June 2016, appointed 3 April 2017</i>
<b>Music Director</b>	Mr M Cropper	
<b>General Manager</b>	Ms J O'Neill	
<b>Company Secretary</b>	Ms J O'Neill	
<b>Registered office</b>	Office 9, Shirley House 31 Psalter Lane Sheffield, S11 8YL	
<b>Independent Examiner</b>	Sarah Lightfoot FCA, DChA On behalf of: VAS Community Accountancy The Circle 33 Rockingham Lane Sheffield, S1 4FW	
<b>Bankers</b>	HSBC Carmel House 49-63 Fargate Sheffield S1 2HD	Yorkshire Bank Fargate Sheffield S1 1LL

## **Sheffield Music Academy**

### **Trustees' Report for the year ended 31 July 2019**

#### **OUR AIMS AND OBJECTIVES**

##### **Purpose and objectives**

Our charity's purpose, as set out in the objects contained in the company's Memorandum of Association, is to advance the education of young people of exceptional musical ability or potential who are aged between six and 18 years in all aspects of music and musicianship. In short, Sheffield Music Academy (the Academy) exists to help young musicians fulfil their potential.

We are part of a network run under the auspices of the Department for Education's (DfE's) Music and Dance Scheme, which includes Centres for Advanced Training in music and dance, Specialist Residential Schools and Conservatoire Junior Departments.

Our aim is to raise aspirations for young people passionate about any form of music in which they show above average aptitude, not necessarily for a career in music and the performing arts, but in order that they may make the most of their skills and talents, develop their self-confidence and in their turn contribute to the musical activities of their schools, areas and communities. Our aim fully reflects the purposes that the charity was set up to further.

##### **Ensuring our work delivers our aims**

We review our aims, objectives and activities each year. This review covers the year ending 31 July 2019 and looks at what we achieved and the outcomes of our work during that period. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help.

Our review also helps us to ensure that our aims, objectives and activities remain focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

##### **The focus of our work**

As well as providing education for talented young musicians, we have focused on finding additional ways of funding that education. The strategies we used to meet these objectives included:

- Ensuring that every student receives individual support, choosing from a number of core and optional classes at our Sheffield-based Academy which runs for 30 Saturdays during term time;
- Employing highly skilled tutors in a wide range of classical instruments;
- Providing regular opportunities to play in orchestras and ensembles;
- Organising workshops, from specialist masterclasses to intense ensemble training, welcoming experts in a range of instruments, music and health, folk music, rock, jazz and music production;
- Supporting and encouraging performance as a way of developing self-confidence and positive mental health;
- Participating in external workshops that enable students to benefit from the Academy's close partnerships with various music organisations in Sheffield and the surrounding area;
- Raising additional funds to supplement the grants made available through the Music and Dance Scheme. Grants are means tested using the Department for Education's criteria.

#### **HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT**

All our charitable activities focus on the education of young people of school age of exceptional musical ability or potential and are undertaken to further our charitable purposes for the public benefit.

##### **Who used and benefited from our services?**

Our objects and funding enable us to provide services to students who reside mainly in a geographical area that includes North East Lincolnshire, North Nottinghamshire, South Yorkshire and Derbyshire.

## Sheffield Music Academy

### Trustees' Report for the year ended 31 July 2019 (*continued*)

Our main achievements that delivered public benefit in 2018-19 included:

- Providing weekly lessons to 113 young musicians who attended the Academy, through a programme of individual lessons, aural, theory and musicianship classes, choral and chamber groups and orchestral ensembles;
- Continuing our successful Student Ambassador Scheme, which this year provided opportunities for our graduates to mentor students, assist in the office and develop their arts administration and leadership skills;
- Expanding the Sheffield Music Academy Infants scheme, now in its second pilot year with 27 six to eight-year old students; studying foundation strings and wind on violin, cello and recorder, and fundamental musicianship classes;
- Increasing the number of concerts in city centre venues to expand both our audience and the accessibility of our offer to students from across the city region;
- Raising our profile and inclusivity within the local community;
- Broadening our teaching provision, welcoming experts in new musical fields from outside the region;
- Taking on additional teaching space at Birkdale to accommodate the expanding brass and wind tuition;
- Continuing to diversify income through increased grant funding and sponsorship;
- Enhancing the administrative team, focusing on marketing and digital output in order to grow audiences, potential donors and student applications.

#### ARTISTIC HIGHLIGHTS OF 2018-19

During 2018-19 we welcomed 18 new students and said farewell to ten former students at the end of the previous year. We were also joined by six new members of staff who helped us to further raise our standards of musicianship and teaching.

We increased our formal collaboration with other music education delivery partners in the region – particularly our relationship with The Halle Orchestra:

- More than 100 members of the SMA community attended its opening concert of the 2018-19 season, and we have performed in the foyer of the City Hall at every Halle concert in the season. Our students were also invited to attend some of its rehearsals;
- We have also worked on a number of projects with Music in the Round, Sheffield City Hall and regional music hubs.

We made a significant contribution to Classical Sheffield 2019 Festival, being invited to give three performances. The first two consisted of chamber performances including students of all ages, and the third involved musicians from the Halle Orchestra joining the SMA Chamber Orchestra for an inspiring performance of Brahms' First Symphony and a virtuosic performance of Grieg's Piano Concerto given by one of our senior piano students.

Other highlights included:

- Continuing the 'SMA Professional Series' where professional musicians are invited to perform on a Friday night, followed by a masterclass and workshop at Academy the following day;
- The successful auditions by a number of our students at music conservatoires and universities, including the Royal Academy of Music, the Royal Northern College of Music, the Birmingham Conservatoire, and the Universities of Oxford and Cambridge;
- Taking our best performing string players on a short tour of Tuscany, where students gave four inspirational performances, with a different programme for each concert;
- The many fabulous performances, including concerto performances, at our annual Graduation Concert;
- Our collaborative end of year project – the Sheffield Cathedral Concert, performing Beethoven Mass in C and Mozart Sinfonia Concertante with student soloists, staff and students and parents from SMA; and performers from our local community;
- One of our students achieving a lead role in *School of Rock*, the musical on the West End.

## Sheffield Music Academy

### Trustees' Report for the year ended 31 July 2019 (*continued*)

#### OTHER HIGHLIGHTS OF 2018-19

##### The Harmony Works Project

In 2018 the Sheffield Music Academy joined forces with the Sheffield Music Hub to explore the creation of a permanent home for music education in the city. Both organisations are serving increasing numbers of children and young people but each relies on renting temporary spaces, spread across the Sheffield City Region; none of which are designed for music or fit for expansion.

Harmony Works is a bold and compelling vision to create an inspirational new centre for music education and performance which will touch the lives of thousands of children and young people in the Sheffield City Region. A permanent home would provide a highly visible, accessible, physical focus for music education, open to the public and with a full array of practice, rehearsal and performance spaces not available elsewhere in the region.

While Harmony Works is an ambitious vision for a small organisation, much has already been achieved by the highly skilled and committed team of trustees, staff and partner organisations:

- Our first step was to work with the Faculty of Architecture at The University of Sheffield to test our idea and produce an initial set of drawings and vision document;
- We have undertaken significant stakeholder engagement, locally and nationally, e.g with Sheffield City Council, the Arts Council, and the Castlegate Partnership, and have sought advice and input from organisations and individuals who have expertise and track record in running significant capital projects;
- We have identified a suitable building in the heart of Sheffield city centre and secured an option to purchase it;
- We have completed a fundraising feasibility exercise to identify ways to secure the funds necessary to acquire the building, to refurbish it and to pay the associated professional fees and costs;
- Our scheme is supported by a Heritage Statement and we have had a positive response to our formal Pre-App from Sheffield City Council. The Heritage Statement considers our use '*extremely appropriate*', enabling it to perform the '*semi-public, semi-civic function it did when first built*';
- We have secured initial funding from the Architectural Heritage Fund to undertake viability work including the planning Pre-App, independent valuation and survey work.

##### Next steps

Although we have benefited from early stage financial support from the Architectural Heritage Fund, covering vital viability and survey work, we have significant urgent workstreams to undertake for which we require an injection of core funding to employ additional staff and freelancers.

Only then will we be in a position to establish Harmony Works as a new limited company and registered charity through which the capital programme will be delivered. In 2020-21 we hope to deliver Phase One of the fundraising plan to purchase the building by December 2020 and to assemble a professional team to submit a Planning Application.

In a City Region where creativity thrives, Harmony Works has the potential to instigate something truly transformative, bringing back into use an historic building and creating a place where outstanding music education and performance can touch the lives of thousands of children and young people.

## Sheffield Music Academy

### Trustees' Report for the year ended 31 July 2019 (continued)

#### FINANCIAL REVIEW OF 2018-19

Our total income for the 12-month period was £378,120, some £39,336 more than we received in 2017-18. The increase was mostly due to restricted funds for the Harmony Works project that we received from the Sheffield Music Hub and the Architectural Heritage Fund, and additional fees from parents and guardians of students, including those joining the second year of the Infant scheme.

Expenditure was £387,769, some £60,874 more than we spent in the same period last year. The increase was mostly due to planned additional investments in teaching provision to strengthen and widen the musical offer, increased depreciation charges on our growing collection of instruments, new tuition packages for all our students (sweatshirts, bags and practice diaries), and fees associated with the Harmony Works project that were met by the specific grants received.

As a result of these year on year increases in income and expenditure, the overall net movement in our funds for the period after the revaluation of our Steinway piano, was a surplus of £5,351. This surplus can be further broken down into the following:

	£
Net expenditure on unrestricted core activities after bursaries	(8,363)
Net expenditure on the Harmony Works project	(1,286)
Piano revaluation	<u>15,000</u>
Net movement in funds	5,351

The underlying shortfall of income compared to expenditure in the year related to unrestricted core activities of £8,363 is broadly in line with the budgeted deficit, as agreed by the Trustees, of £5,425.

The Trustees are optimistic that the Academy can continue to live within its means, while increasing its student numbers year on year, with no adverse impact on the quality of its activities. The Academy has continued to offer financial support to students to supplement the grants made available through the Music and Dance Scheme, and to further improve and expand our collection of musical instruments for use by students, by purchasing instruments totaling £24,615 in the year, £4,000 of which was funded by a grant from the D'Oyly Carte Charitable Trust.

#### Principal funding sources

The principal funding sources for the charity are grants from the Department for Education's Music and Dance Scheme, and fees paid by parents and guardians of the Academy's students. While we remain heavily reliant on income from the Scheme (64% of our income in 2018-19, before donations in kind are included), we continue to diversify our sources of voluntary income and other grants. We are extremely grateful for the continued support of the Friends of Sheffield Music Academy, our business sponsors and local grant giving trusts.

#### Investment Policy

The donations we receive enable the Academy to maintain its reserves at a prudent level. As yet we do not have sufficient funds for long-term investment, but our reserves are split between two separate banks to ensure they remain protected by the Financial Services Compensation Scheme. A proportion of our reserves has once again been invested in the purchase of several key instruments for use by students at the Academy that should hold or increase in value over the next five years.

#### Reserves Policy

The Trustees are risk averse as regards the Academy's reserves, and aim to maintain sufficient free reserves in general funds (net current assets and assets that can be readily converted to cash) to ensure that the Academy's main operations can continue for a period of at least six months, or 26 weeks.

At 31 July 2019, annual operating costs were £373,622. General net current assets amounted to £91,434 and £76,662 was held as fixed asset instruments considered to be readily convertible to cash, giving a total of £169,096, which is equivalent to 23.5 weeks. In addition £5,316 was held in a designated fund at 31 July 2019, being the unused element of matched funding set aside by the trustees for the Harmony Works project.



## **Sheffield Music Academy**

### **Trustees' Report for the year ended 31 July 2019 (*continued*)**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

The Academy is a charitable company limited by guarantee. The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association which are based upon the Charity Commission's model with only very slight modification. In the event of the company being wound up its members are each required to contribute an amount not exceeding £1. In November 2019 the Charity Commission approved revisions the Articles to permit meetings of the Trustees to be held either in person or by suitable electronic means, and to clarify the ways in which the Chair may take urgent action subject to retrospective approval of the Board.

##### **Patrons**

We have two Patrons supporting Sheffield Music Academy:

- Elizabeth Watts is one of Britain's leading sopranos and is much in demand throughout the world as a recitalist and concert singer. She was a chorister at Norwich Cathedral and studied archaeology at Sheffield University before attending the Royal College of Music.
- Ryan Wigglesworth is a pianist, conductor and composer and Principal Guest Conductor of the Halle. He was born in Wincobank, Sheffield and attended King Edward VII School and was a Cathedral choirboy.

##### **Recruitment and Appointment of Board of Trustees**

There must not be less than three Trustees but there is no maximum number. Trustees must retire after three years' service but may offer themselves for re-election or further co-option.

A person qualified and wishing to become a trustee must be aged 18 years or over and must either be recommended by the Trustees or be nominated for election by a member of the Charity. The Trustees may co-opt individuals to the Board during the year for their particular expertise (e.g. financial or legal advice) through an ordinary resolution of the Board, but a co-opted Trustee holds office only until the next AGM.

Every Trustee must sign a declaration of willingness to act as a charity trustee before he or she is eligible to vote at any Board meeting.

The Trustees of the Charity for the year ended 31 July 2019 are listed on page 1.

All Trustees give of their time freely and no trustee remuneration or expenses were paid in the year.

Trustees are required to disclose all relevant interests and register them with the Academy's Music Director and in accordance with the Academy's policy withdraw from decisions where a conflict of interest arises. Two trustees who are also parents of students of the Academy withdrew from decisions about student fees during the year.

##### **Organisational structure**

The Board meet four times during 2018-19. At its meetings the Trustees agreed the broad strategy and areas of activity for the Charity, including consideration of grant making, investment, reserves and risk management policies and performance.

During the year, the Board established a Working Group to oversee the Harmony Works project. Its membership included two trustees (Ian Falconer and Emily Pieters) and the Music Director. The Group was advisory, with no delegated powers except the permission to approve expenditure within budgets already determined by the Board.

The day-to-day administration of the Academy's activities, including its curriculum, staffing and student recruitment is delegated to the Music Director and his small administrative team.

## **Sheffield Music Academy**

### **Trustees' Report for the year ended 31 July 2019 (*continued*)**

#### **Risk Management**

The Trustees have considered the major risks which the charity is exposed to and have reviewed those risks and established systems and procedures to manage them.

The Trustees consider that the Academy's greatest financial risks are the possible loss or reduction in its major source of core funding (i.e. the grant provided by the Music and Dance Scheme), its over-reliance on one source of funding and any unfunded liabilities arising from the Harmony Works project. Loans and donations received during the year and the Academy's restrictive budgetary control procedures helped to mitigate these risks and the Trustees continue to review alternative future funding strategies.

The most significant non-financial risks are that the Academy fails to meet its legal responsibilities concerning safeguarding, data protection and employment law, and that it fails to protect its IT systems and data. The Board includes trustees with practical experience of safeguarding and legal and data protection issues and has commissioned independent IT advice that will help mitigate these risks.

Finally, as its pupil numbers continue to grow, there is a growing risk that the Academy's teaching premises are not fit for future purpose, in terms of capacity and quality. These risks are being addressed by the Harmony Works project, which has its own Project Risk Register. The Trustees have sought advice and input from organisations and individuals who have expertise and track record in running significant capital projects and are establishing a new charitable entity and trading subsidiary for the delivery of the project, with the relevant expertise and track record.

#### **PLANS FOR 2019-20 AND BEYOND**

Looking to the future, the Sheffield Music Academy has plans to:

- Build on our relationship with Music in the Round:
  - Performing in Music in the Round's May Festival;
  - Welcoming players from Ensemble 360 to give workshops and masterclasses;
  - encouraging students to attend concerts;
- Celebrate the 250<sup>th</sup> anniversary of Beethoven's birth in 2020 with performances of:
  - Beethoven Symphony No.5, joined by players from Ensemble 360;
  - Beethoven Symphony No.9 with Alumni and singers from the community.
- Create a New Music Ensemble with Composer in Residence, Daniel Saleeb;
- Introduce a composition competition;
- Introduce a scales competition for instrumentalists;
- Trial sponsored practice;
- Continue to grow the standard and numbers of student applications, and to further strengthen our teaching staff to include new instrumental offerings in brass, composition and strings;
- Welcome the first year of SMA Infants to the main Academy, providing our first real opportunity to assess its' achievements and scope.

## Sheffield Music Academy

### Trustees' Report for the year ended 31 July 2019 (*continued*)

#### TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of Sheffield Music Academy for the purposes of company law) are responsible for preparing the Trustees' Annual Report and 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 accounting period, which 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 judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 irregularities. The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy's website.

The Trustee's Annual Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The company is currently exempt from a statutory audit because its annual gross income does not exceed £1 million.

Approved by the Trustees on 20 January 2020 and signed on their behalf by:



**Trisha Cooper**  
Chair  
Sheffield Music Academy

## Independent Examiner's report to the trustees of Sheffield Music Academy ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 July 2019.

### Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.


### Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**Sarah Lightfoot FCA, DChA**

On behalf of:  
VAS Community Accountancy  
The Circle  
33, Rockingham Lane  
Sheffield  
S1 4FW

3 February 2020

# Sheffield Music Academy

## Statement of financial activities

(incorporating the income and expenditure account)

For the year ended 31 July 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>Income from:</b>							
Grants and donations	2	9,282	19,018	28,300	8,718	6,500	15,218
Charitable activities	3	345,190	-	345,190	323,376	-	323,376
Fundraising	4	4,163	-	4,163	-	-	-
Investments - bank interest		467	-	467	190	-	190
		<b>359,102</b>	<b>19,018</b>	<b>378,120</b>	<b>332,284</b>	<b>6,500</b>	<b>338,784</b>
<b>Expenditure on:</b>							
Fundraising activities	4	3,595	-	3,595	-	-	-
Charitable activities	5	366,870	17,304	384,174	326,895	-	326,895
		<b>370,465</b>	<b>17,304</b>	<b>387,769</b>	<b>326,895</b>	<b>-</b>	<b>326,895</b>
Net income/(expenditure)		<b>(11,363)</b>	<b>1,714</b>	<b>(9,649)</b>	5,389	6,500	11,889
Transfers	11	3,554	(3,554)	-	2,500	(2,500)	-
Gain on revaluation of fixed asset	8	15,000	-	15,000	-	-	-
Net movement in funds		<b>7,191</b>	<b>(1,840)</b>	<b>5,351</b>	7,889	4,000	11,889
Total funds brought forward		167,613	9,000	176,613	159,724	5,000	164,724
Total funds carried forward		<b>174,804</b>	<b>7,160</b>	<b>181,964</b>	<b>167,613</b>	<b>9,000</b>	<b>176,613</b>

## Sheffield Music Academy

### Balance Sheet

As at 31 July 2019

	Notes	Total 2019 £	Total 2018 £
<b>Fixed assets</b>	<b>8</b>	<b>78,054</b>	<b>56,158</b>
<b>Current assets</b>			
Debtors	<b>9</b>	42,200	25,407
Cash at bank and in hand		93,869	119,775
<b>Total current assets</b>		<b>136,069</b>	<b>145,182</b>
Creditors: amounts falling due within one year	<b>10</b>	(32,159)	(24,727)
<b>Net current assets</b>		<b>103,910</b>	<b>120,455</b>
<b>Total assets less current liabilities</b>		<b>181,964</b>	<b>176,613</b>
Creditors: amounts falling due after more than one year		-	-
<b>Total net assets</b>		<b>181,964</b>	<b>176,613</b>
<b>Represented by:</b>			
<b>Funds of the Charity</b>			
General Funds		137,209	150,334
Designated funds	<b>11</b>	5,316	-
Revaluation reserve	<b>12</b>	32,279	17,279
<b>Unrestricted Funds Total</b>		<b>174,804</b>	<b>167,613</b>
Restricted Funds	<b>13</b>	7,160	9,000
<b>Total Funds</b>	<b>14</b>	<b>181,964</b>	<b>176,613</b>

For the year ending 31 July 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The director's acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime.

Approved by the Board of Trustees on 20 January 2020 and signed on their behalf by:

Trisha Cooper  
Chair

**Notes to the Accounts**  
**For the year ended 31 July 2019**

**1 Accounting Policies**

**(a) General**

Sheffield Music Academy is a charitable company in the United Kingdom limited by guarantee. In the event that the charity is wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The financial statements have been prepared in accordance with 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) issued on 16 July 2014 (as updated through Update Bulletin1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The financial statements have adopted Charities SORP (FRS102) Bulletin 1 and taken advantage of the exemption to the prepare a Statement of Cash Flows.

Sheffield Music Academy meets the definition of a public benefit entity under FRS 102. The financial statements are prepared under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £.

**(b) Income**

Income is recognised when the organisation has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

**(c) Donated goods and services**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**(d) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**(e) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**(f) Assets**

Depreciation has been calculated to write down the cost or valuation, less estimated residual value, of all tangible fixed assets over their expected useful life, as follows:

Musical Instruments of significant value	At valuation
Other Musical Instruments	20% Reducing Balance
Office equipment	20% Reducing Balance

The Trustees have undertaken to carry out an impairment review of the musical instruments of significant value each year, to ensure no significant factor has affected the value during the year. In addition to this the instruments will be revalued by an expert every 3-5 years with any move in the valuation being reflected in the asset valuation. Any increase or decrease in value will be reflected in the asset valuation and the revaluation reserve.

**(g) Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.



## Sheffield Music Academy

### Notes to the Accounts - continued For the year ended 31 July 2019

#### 1 Accounting Policies - continued

##### (h) Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### (i) Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the organisation without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the funder.

##### (j) Taxation

As a charity, Sheffield Music Academy is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

##### (k) Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

##### (l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### 2 Income from grants and donations

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Concert Donations	2,395	-	2,395	1,227	-	1,227
Friends of Sheffield Music Academy	542	-	542	-	-	-
Other Donations	1,345	-	1,345	991	-	991
Gift Aid	-	-	-	-	-	-
Bell and Buxton	-	2,500	2,500	-	2,500	2,500
Sheffield Music Hub	-	4,018	4,018	-	-	-
Architectural Heritage Fund	-	5,100	5,100	-	-	-
The Golsoncott Foundation	-	500	500	-	-	-
CMS - donation in kind	-	6,900	6,900	-	-	-
GRI Group	5,000	-	5,000	2,000	-	2,000
The D'Oyly Carte Charitable Trust	-	-	-	-	4,000	4,000
Cordery Compliance Limited - donation in kind	-	-	-	4,500	-	4,500
	<b>9,282</b>	<b>19,018</b>	<b>28,300</b>	<b>8,718</b>	<b>6,500</b>	<b>15,218</b>

#### 3 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Fees paid by Department for Education	237,920	-	237,920	237,344	-	237,344
Fees paid by parents	100,142	-	100,142	84,291	-	84,291
Artistic Projects	3,315	-	3,315	1,441	-	1,441
Piano Hire	200	-	200	300	-	300
Other income	3,613	-	3,613	-	-	-
	<b>345,190</b>	<b>-</b>	<b>345,190</b>	<b>323,376</b>	<b>-</b>	<b>323,376</b>



# Sheffield Music Academy

## Notes to the Accounts - continued For the year ended 31 July 2019

4	Net income from fundraising activities	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Unrestricted Funds £	Restricted Funds £	Total 2018 £
	Edale fundraising concert	4,163	-	4,163	-	-	-
	Edale concert costs	(3,595)	-	(3,595)	-	-	-
		<b>568</b>	<b>-</b>	<b>568</b>	<b>-</b>	<b>-</b>	<b>-</b>

5	Expenditure on charitable activities	Note	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Unrestricted Funds £	Restricted Funds £	Total 2018 £
	Permanent staff costs	7	249,826	1,750	251,576	230,530	-	230,530
	Temporary Staff and Deputies		25,059	-	25,059	1,266	-	1,266
	Academic costs		19,203	-	19,203	35,247	-	35,247
	Staff training		1,228	-	1,228	425	-	425
	Rent and premises costs		15,272	-	15,272	13,594	-	13,594
	Artistic Project Expenditure		16,215	-	16,215	15,298	-	15,298
	Administration Costs		15,193	-	15,193	13,516	-	13,516
	Marketing		4,084	-	4,084	3,525	-	3,525
	Insurance		1,938	-	1,938	800	-	800
	Depreciation	8	13,928	-	13,928	7,790	-	7,790
	Loss/(profit) on sale of asset		(76)	-	(76)	-	-	-
	Bank charges		(6)	-	(6)	123	-	123
	Bad debts (written off) or provision made		167	-	167	-	-	-
	Independent examination fee	6	1,740	-	1,740	1,440	-	1,440
	Department for Education Grant Audit		821	-	821	660	-	660
	Payroll services (including pension charges)		2,036	-	2,036	2,081	-	2,081
	Legal and professional fees		210	-	210	-	-	-
	Harmony works feasibility project		32	15,554	15,586	600	-	600
								-
	<b>Total charitable expenditure</b>		<b>366,870</b>	<b>17,304</b>	<b>384,174</b>	<b>326,895</b>	<b>-</b>	<b>326,895</b>

6	Fees paid to independent examiner's organisation	2019 £	2018 £
	Independent examination fee	<b>1,740</b>	<b>1,440</b>
	Other fees paid to the independent examiner's organisation:		
	Department for Education Grant Audit	821	660
	Payroll	2,036	2,081
	Training	460	425
	Software licence	252	216
	Fees for other work done	210	-
		<b>3,779</b>	<b>3,382</b>

7	Staff Costs	2019 £	2018 £
	Salaries	245,017	225,759
	Employer's national insurance contributions	7,110	7,067
	Employer's allowance	(3,132)	(3,000)
	Employer's Pension Contributions	1,423	704
	Redundancy	1,158	-
		<b>251,576</b>	<b>230,530</b>

The average number of monthly employees was 31 (2018: 31). No employee received emoluments of more than £60,000 in the year.

# Sheffield Music Academy

## Notes to the Accounts - continued For the year ended 31 July 2019

### 8 Tangible Fixed Assets

	Steinway Model "B" Grand Piano	Musical instruments	Office equipment	Total
	£	£	£	£
<b>Cost or Valuation</b>				
As at 1 August 2018	25,000	58,094	4,988	88,082
Additions	-	24,615	-	24,615
Revaluation	15,000	-	-	15,000
Disposals	-	(4,286)	-	(4,286)
<b>As at 31 July 2019</b>	<b>40,000</b>	<b>78,423</b>	<b>4,988</b>	<b>123,411</b>
<b>Depreciation</b>				
As at 1 August 2018	-	28,676	3,248	31,924
Depreciation charge	-	13,580	348	13,928
Disposals	-	(495)	-	(495)
<b>As at 31 July 2019</b>	<b>-</b>	<b>41,761</b>	<b>3,596</b>	<b>45,357</b>
<b>Net Book Value</b>				
<b>As at 31 July 2019</b>	<b>40,000</b>	<b>36,662</b>	<b>1,392</b>	<b>78,054</b>
As at 31 July 2018	25,000	29,418	1,740	56,158

### 9 Debtors

	2019 £	2018 £
Fees payable by Department for Education	11,894	13,242
Fees payable by parents	17,066	12,165
Other debtors	7,100	-
Prepayments	6,140	-
	<b>42,200</b>	<b>25,407</b>

### 10 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	7,513	2,103
July Salaries	18,846	16,858
Other taxes and social security	2,394	1,607
Other creditors	465	88
Accruals	2,941	4,071
	<b>32,159</b>	<b>24,727</b>

# Sheffield Music Academy

## Notes to the Accounts - continued For the year ended 31 July 2019

### 11 Designated funds

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Harmony Works	-	-	(32)	5,348	5,316
	<u>-</u>	<u>-</u>	<u>(32)</u>	<u>5,348</u>	<u>5,316</u>

#### Harmony Works

The trustees determined to set aside £8,000 in the 18/19 financial year towards the match funding element of the feasibility stage of the Harmony works project (see the trustees' report for further detail). £32 has been directly spent and £2,652 has been transferred into the restricted fund for the match funding of expenditure in the financial year, leaving a balance of £5,316 for further costs.

### 12 Revaluation reserve

	2019 £	2018 £
Revaluation reserve brought forward	17,279	17,279
Revaluation during the year	15,000	-
Revaluation reserve carried forward	<u>32,279</u>	<u>17,279</u>

### 13 Restricted funds

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Ensemble 360 Academy Project	5,000	-	-	-	5,000
The D'Oyly Carte Charitable Trust	4,000	-	-	(4,000)	-
Harmony Works	-	16,018	(17,304)	2,652	1,366
Bursaries - Bell & Buxton Sponsorship and The Golsoncote Foundation	-	3,000	-	(2,206)	794
	<u>9,000</u>	<u>19,018</u>	<u>(17,304)</u>	<u>(3,554)</u>	<u>7,160</u>

#### Ensemble 360 Academy Project

This project is funded by Sheffield Town Trust, The Freshgate Trust Foundation and JG Graves Charitable Trust. The project was undertaken in the financial year 2019-20.

#### The D'Oyly Carte Charitable Trust

Monies were given towards the purchase of new instruments. These instruments were purchased in the year, and as the use of the assets is unrestricted, the grant has been transferred to unrestricted funds.

#### Harmony Works

Money is being raised towards the feasibility stage of the Harmony Works project (see the trustees' report for further detail). The transfer of £2,652 of unrestricted funds represents the match funding element of the Company (see note 11).

#### Bursaries

This fund represents monies given to the Academy to provide additional funding to those students that demonstrate a clear need for tuition fee support. The Academy has provided discounted fees to a number of students which total £2,206 this year, which has therefore been transferred to unrestricted funds.

#### Prior year comparison

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Sheffield Town Trust - Ensemble 360 Academy Project	3,000	-	-	-	3,000
The Freshgate Trust Foundation - Ensemble 360 Academy Project	1,000	-	-	-	1,000
JG Graves Charitable Trust - Ensemble 360 Academy Project	1,000	-	-	-	1,000
The D'Oyly Carte Charitable Trust	-	4,000	-	-	4,000
Bell & Buxton Sponsorship	-	2,500	-	(2,500)	-
	<u>5,000</u>	<u>6,500</u>	<u>-</u>	<u>(2,500)</u>	<u>9,000</u>

# Sheffield Music Academy

## Notes to the Accounts - continued For the year ended 31 July 2019

### 14 Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
Tangible fixed assets	78,054	-	-	78,054
Current assets	119,513	5,316	11,240	136,069
Creditors: amounts falling due within one year	(28,079)	-	(4,080)	(32,159)
	<u>169,488</u>	<u>5,316</u>	<u>7,160</u>	<u>181,964</u>
<i>Prior year comparison</i>	<i>General Funds £</i>	<i>Designated Funds £</i>	<i>Restricted Funds £</i>	<i>Total 2018 £</i>
<i>Tangible fixed assets</i>	<i>56,158</i>	<i>-</i>	<i>-</i>	<i>56,158</i>
<i>Current assets</i>	<i>136,182</i>	<i>-</i>	<i>9,000</i>	<i>145,182</i>
<i>Creditors: amounts falling due within one year</i>	<i>(24,727)</i>	<i>-</i>	<i>-</i>	<i>(24,727)</i>
	<u>167,613</u>	<u>-</u>	<u>9,000</u>	<u>176,613</u>

### 15 Trustees and key management remuneration, benefits and expenses

No out of pocket expenses or remuneration were paid to trustees during the year.

Key management, consisting of trustees and the Music Director, received total employee benefits of £36,974 during the year (2018: £36,674).

### 16 Related Party Transactions

There were no related party transactions other than those listed in note 15.