

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

**Sheffield Music Academy**

**Annual Report and Unaudited Financial Statements**

**For the year ended 31 July 2021**

## Sheffield Music Academy

### Contents

	<b>Page</b>
Trustees' Annual Report	1 - 10
Independent Examiner's report	11
Statement of financial activities	12
Balance sheet	13
Notes to the accounts	14 - 21

## Sheffield Music Academy

### Trustees' Report for the year ended 31 July 2021

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 are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 July 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 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 in October 2019.

#### 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 A Brumpton Ms T Cooper (Chair) Mr I Falconer (Treasurer) Ms R Mallaband Ms A Olusoga Mr J Payne Ms E Pieters Ms E Underwood Ms S Unwin	<i>resigned 18 January 2021</i> <i>co-opted 05 October 2021, appointed 18 January 2021</i> <i>temporarily stepped down as Chair wef 28 June 2021</i> <i>and Interim Chair wef 28 June 2021</i> <i>co-opted 05 October 2020, appointed 18 January 2021</i> <i>resigned 18 January 2021</i> <i>co-opted 05 October 2020, appointed 18 January 2021</i>  <i>co-opted 04 October 2021</i>
<b>Music Director</b>	Mr M Cropper	
<b>General Manager</b>	Miss J O'Neill	
<b>Company Secretary</b>	Miss 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, employee of VAS Community Accountancy The Circle 33 Rockingham Lane Sheffield, S1 4FW	
<b>Bankers</b>	Virgin Money (formally Yorkshire Bank) 66 Fargate Sheffield S1 2HE	Charities Aid Foundation 25 Kings Hill Avenue Kings Hill, West Malling Kent ME19 4TA

## **Sheffield Music Academy**

### **Trustees' Report (*continued*) for the year ended 31 July 2021**

#### **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 four and 19 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 (CATs) 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 and colleges, 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 2021 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.

The review also helps us ensure our aims, objectives and activities remained 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 aim 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**

Alongside continuing to provide education for talented young musicians, we have focused on finding additional ways of funding that education. The strategies we used to meet our 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.
- Participating in external workshops that enable students to benefit from the Academy's close partnership 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.

While some of our strategies were impacted by the ongoing Covid-19 pandemic throughout this academic year, we are immensely proud of the successful efforts that our staff made to find the very best solutions to ensure our students could continue to drive their passion for music making. We explain the impact of the pandemic and our response in more detail later in this report.

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

All our charitable activities focus on the education of young people of aged between four and 19 of exceptional musical ability or potential and are undertaken to further our charitable purposes for the public benefit.

## **Sheffield Music Academy**

### **Trustees' Report (*continued*) for the year ended 31 July 2021**

#### **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 to include South Yorkshire, Derbyshire, North East Lincolnshire and North Nottinghamshire.

Although much of the academic year was disrupted by the Covid-19 pandemic, we were able to continue to advance the education of young people of exceptional musical ability or potential. Our main achievements that delivered public benefit in 2020-21 included:

- Providing weekly lessons to 105 young musicians (delivered via 183 individual sessions, 39 classes and nine ensembles including our Chamber Orchestra of 40 students) through a blended offer of online and socially distanced in-person ensemble and orchestra rehearsals.
- Continuing to recruit staff of the highest calibre from around the UK.
- Imaginatively using remote learning technologies including web platforms, live streaming services, apps and innovative funding opportunities to maximise learning opportunities for students in lockdown, provide a continued high-quality offer for our families and find new ways to replace lost donations from cancelled concerts. New individual donors, including regular givers, were sourced and student numbers were maintained.
- Attracting a greater number of prospective student applications from students keen to work with tutors of the highest calibre, operating remotely during the strict covid guidelines.
- Recruiting new Trustees to the Board, again during lockdown, expanding the skillset and knowledge of our Board to include an increased education focus, and HR, legal and events expertise.
- Appointing a Financial Assistant to support the work of the General Manager.

#### **ACADEMIC AND ARTISTIC HIGHLIGHTS OF THE YEAR ENDED 31 JULY 2021**

During 2020-21 we welcomed 13 new students and said farewell to 23 students including five who graduated at the end of the previous academic year. We were also joined by two new members of staff who helped us to further raise our standards of musicianship and teaching.

Covid-19 was first identified in December 2019 and the resulting pandemic has continued to cause global social and economic disruption ever since, including periods of partial or full closure for many educational institutions. But by the autumn of 2020, the Academy had developed a blended timetable that enabled us to move with minimal disruption between online and in person teaching. This has served us very well and ensured that we could continue to offer exceptional education, and focus on different aspects of the musical curriculum at different points in the academic year.

For example, a large part of music education is about playing together and learning to lead, follow and interact. To deliver our ensemble provision, which we were keen to reinstate as quickly as possible, we expanded the length of the day on Saturday and rehearsals took place on Friday evenings and in additional venues to enable us to adhere to Covid-19 social distancing requirements.

Due to the continued unpredictable nature of Covid-19 we introduced termly ABRSM examinations operated remotely so student attainment could be maintained. And we also introduced examination workshops, bringing in highly experienced musicians/teachers to give live feedback and to provide performance opportunities to those who, because of Covid-19, were prevented from taking examinations in person or who were not able to perform to an audience as usual. These workshops were invaluable and allowed many of our students to later go on and excel in their examinations.

The Board believed it was essential that our students did not lose out on performance opportunities, so to celebrate their great work while still complying with the ongoing Covid-19 restrictions, we put on more performances than usual. And to enable the families of all our students the opportunity to see their students perform, some concerts were repeated, and some ran concurrently in neighbouring venues! This was a sterling effort by the whole of the SMA community.

In 2017-18 we began to pilot an Infant Academy for budding young musicians aged 6 to 8 years. We are delighted that, after just four years, the Infant Academy has moved from a pilot project with 24 students to a fully integrated part of our offer that now accepts students from age 4 to 8 years. In 2020-21 it had 79 students drawn from some 31 different schools across the region and it continued to deliver fantastic music provision, coping extremely well with the demands of providing music provision to our youngest students, both in and out of lockdown.

## Sheffield Music Academy

### Trustees' Report (*continued*) for the year ended 31 July 2021

Despite the pandemic we also delivered several exciting and innovative projects for our students in 2020-21, expanding our provision and expanding our delivery out into the local community. For example:

- in the spring of 2021, we launched a Composition Competition called *Composer Dice* for our students, parents and trustees. The idea behind this was to bring the community together during the return to online learning, to have a bit of fun with our music-making, to get creative and learn something along the way. As covid restrictions lifted, we began to come together to rehearse and perform these compositions. There will be a performance of all these works in 2021-22 called *An Evening of Firsts*.
- In the summer of 2021 grant funding from the Government's Holiday Activities and Food Programme (HAF) also enabled us to put on a fabulous summer school run by our SMA Infants Leader, Becca Francis, and several of our staff. In the words of the headmaster of the school where the programme ran *"This week enabled some of the most vulnerable children and families in Sheffield to attend and learn how to play an instrument and they were totally engrossed for the week. The rising attendance throughout the week as children shared their enthusiasm for the wonderful work was testament to the success of the project."* A third of the school took part and a similar number of parents came to watch. We hope to secure funding to repeat and expand the project in 2022 and believe it to be a great example of what our Harmony Works project might achieve in the future.

Other impacts of the pandemic on our academic offer in 2020-21 included:

- The reduced use of our principal premises at Birkdale School, but supplemented with the hire of community spaces and our office premises to enable socially-distanced ensemble rehearsal and work when guidance permitted.
- The continuation of more regular Board catch ups to keep Trustees informed of activity and to ensure adherence to Government guidelines.
- The continuation of weekly digital concerts to enable students to maintain their performance confidence and skills and to provide parents and guardians with a weekly showcase of their children's progress.

Overall, we continue to be hugely impressed by the incredible examples of creativity, positivity, commitment and dedication shown by our staff, students and their parents and guardians. It is now almost two years since the pandemic began, and we do not underestimate the physical and emotional toll that it has taken on our community. Together their response provides a perfect example of the benefits of music and the kind of transferable skills, especially problem solving, that studying music can bring.

We anticipate that changing guidelines and continued uncertainty over the direction and evolving pandemic will impact work from 2021-22 and beyond but are confident in the ambitions and hard work of our staff to continue to deliver high quality music tuition to our inspiring young musicians.

### THE HARMONY WORKS PROJECT

In 2017 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.

Having previously identified Canada House as a suitable heritage building in the heart of Sheffield city centre and secured initial funding from the Architectural Heritage Fund to undertake viability work, we secured an option to purchase Canada House in September 2019. As our planned new home is in the Castlegate Quarter, one of the central placemaking initiatives in the City Centre Master Plan, we also became members of the Castlegate Partnership – a group of community, commercial, civic and cultural stakeholders working together to promote a collaborative and innovative approach to regenerating the area.

## Sheffield Music Academy

### Trustees' Report (*continued*) for the year ended 31 July 2021

In 2020-21 our small but highly skilled and committed team of trustees, staff and partner organisations continued to make exciting progress:

- In January 2021 we exchanged contracts for the purchase of Canada House with its owners.
- In April 2021, following a detailed tender exercise, we appointed an impressive team of professional advisors that will enable us to prepare the planning application and began some initial architectural work.
- In June 2021 Harmony Works was expressly referenced as one of four pivotal projects in the Sheffield Cultural Collective's new Culture Strategy for Sheffield. The Collective - one of 20 national Cultural Compacts created by the Arts Council in 2018 - believes that every individual and every community in Sheffield thrives when culture, music, art and creativity is placed at the heart of the city's strategic development.
- In June 2021 Harmony Works was also included as one of three projects within Sheffield City Council's Gateway bid to the Government's Levelling Up Fund, designed to bring economic benefits to the Castlegate Quarter and help bind its communities together. In October 2021 we learned the bid had been successful, and we have been allocated £1.6 million of grant funding towards the capital cost of our project.
- In December 2021 the National Lottery Heritage Fund approved our Expression of Interest to its Enterprise Fund, and have invited us to make a full application, potentially opening routes to a further £2.5 million of grant funding.

Although the project has benefited from early-stage financial support from Sheffield City Council and the Architectural Heritage Fund, and the generous pro bono support of locally based international legal advisers CMS LLP, we still require a material injection of funding to be able to complete the next stages. Only then will we be able to establish Harmony Works as a new limited company and registered charity through which the capital programme will be delivered. Critical stages remain the submission of a Planning Application and the completion of the purchase of the building. Full occupation therefore remains unlikely before 2025.

#### FINANCIAL REVIEW OF THE YEAR ENDED 31 JULY 2021

	2020-21			2019-20		
	Income £	Expenditure £	Net movement before transfers £	Income £	Expenditure £	Net movement before transfers £
Core activities	349,389	342,169	7,220	375,736	363,617	9,119
Harmony Works	95,815	111,377	(15,562)	95,113	82,152	12,961
<b>Total</b>	<b>445,204</b>	<b>453,546</b>	<b>(8,342)</b>	<b>470,849</b>	<b>444,769</b>	<b>22,080</b>

#### Core activities

Our total income for core activities in the 12-month period was £349,389, some £26,347 (7.0 per cent) less than we received in 2019-20. The decrease was mostly due a slight fall in student numbers in the main academy and reduced fundraising opportunities due to the impact of Covid-19.

Related expenditure was £342,169, some £21,448 (5.9 per cent) less than we spent in the same period last year. As a result of these year-on-year changes in income and expenditure, the overall net movement in our funds from unrestricted core activities was a surplus of £7,220 before transfers.

#### Harmony Works

We also received £95,815 towards the Harmony Works project during the year, comprising restricted funds from Sheffield City Council and the Architectural Heritage Fund, and the value to us of the pro-bono work undertaken on our behalf by CMS LLP and Falconer Associates Limited. Project expenditure was £111,377, resulting in a net decrease of £15,562 before transfers to designated and restricted funds.

On 31 July 2021 we held funds of £35,481 on behalf of the Harmony Works project (£19,667 designated and £15,814 restricted), being the unused elements of funding set aside by the Board and external grants received.

## **Sheffield Music Academy**

### **Trustees' Report (*continued*) for the year ended 31 July 2021**

#### **Financial impact of Covid-19**

Although the pandemic continued to effect how we delivered our charitable objectives, the overall financial impact was not material in 2020-21:

- The DfE confirmed our continued entitlement to the Music and Dance Scheme funding which is our principal source of income. Although our entitlement was not affected, some instalments were delayed, causing potential cashflow pressures that we managed by careful cash management.
- Although we lost some of the traditional fundraising opportunities usually provided by our programme of public performances and made refunds totalling £2,450 to students who were unable to catch up on their missed ensemble tuition, these shortfalls were partially offset by net savings on venue hire fees and other operating expenses and a second Coronavirus Business Grant which we received from Sheffield City Council.

#### **Principal funding sources**

The principal funding sources for the core activities of the charity are grants from the DfE'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 per cent of our core income in 2020-21, i.e., excluding grants towards the Harmony Works project), that dependence is reducing (it was 72 per cent of our income in 2015-16) because of concerted efforts to increase 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. Until we have sufficient funds for long-term investment, our reserves will continue to be split between two separate banks to ensure they remain protected by the Financial Services Compensation Scheme.

A small proportion of our reserves (£9,200) has once again been invested in the purchase of several key instruments for use by students at the Academy that will 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 unrestricted 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 six months.

As of 31 July 2021, annual operating costs for our core activities were £342,169. Net current assets in general funds amounted to £73,687 and we held fixed asset instruments with a net book value of £97,663 that we considered to be readily convertible to cash, giving free reserves in unrestricted funds of £171,350, sufficient to cover our main operations for the required six months. Of course, some of our instruments are on loan to our students and their access might no longer be possible if we were obliged to dispose of them.

Our ability to maintain our free reserves at our preferred level gives us the confidence to continue our operations during the pandemic. However, we cannot rely upon reserves other than in the very short term, and so we remain focused on new ways to raise funds to ensure all our students can be supported going forward. We plan to review our Reserves Policy again in the light of the pandemic in the autumn of 2022.



## **Sheffield Music Academy**

### **Trustees' Report (*continued*) for the year ended 31 July 2021**

#### **Going Concern**

The Board is reassured that the Academy has continued to live within its means during the last eighteen months of the pandemic, maintaining its student numbers, with no adverse impact on the quality of its activities. In July 2021 we approved a balanced budget for the 2021-22 financial year and our latest forecast, based on the outturn to December 2021, confirms we remain on target to deliver it. The DfE has confirmed its support for the Music and Dance Scheme until July 2022 and, as the impact of Covid-19 during 2020-21 did not materially affect our levels of free reserves, we are satisfied that should the DfE grant funding no longer be available beyond 31 July 2022, the Academy's main operations could continue for at least six months, i.e., until January 2023.

For these reasons, the Board continues to adopt the going concern basis in preparing the financial statements.

The Board also considers that the ongoing economic uncertainty resulting from Covid-19 is unlikely to have a material impact upon the Academy's ability to achieve its charitable objectives in the next 12 months. Nevertheless, the trustees and the Music Director will continue to monitor and respond to the risks of operating during Covid-19 on an ongoing basis. The Academy has robust business continuity plans, risk management and financial management processes and so is well placed to respond to future uncertainty in a timely manner.

#### **Events after the Reporting Period**

The only significant post balance sheet event is the award of a grant from the Levelling Up Fund of £1.6 million for the purchase of Canada House for the Harmony Works Project in October 2021. The receipt of this grant is conditional on several factors, including completion of the contract to purchase and the agreement of a viable business plan for the Project, which together mitigate against any financial risk to the Academy.

### **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. On 15 August 2020 the Charity Commission approved revisions to our Charitable Objects to broaden the age range of our students to between four and 19.

#### **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.

## Sheffield Music Academy

### Trustees' Report (*continued*) for the year ended 31 July 2021

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

The Trustees of the Charity for the year ended 31 July 2021 are listed on page 1. We were delighted that the three trustees that we co-opted in October 2020 in anticipation of the greater governance workload arising from the pandemic and the Harmony Works project, Angela Brumpton, Rachel Mallaband and John Payne, were formally appointed in January 2021. And they were joined by Sara Unwin in October 2021, who was also co-opted pending formal appointment at our next AGM.

On 28 June 2021 Trisha Cooper temporarily handed over her duties as Chair to Ian Falconer who continues to act as Interim Chair. Except for her duties as Chair, we are grateful that Trisha has continued to participate fully as a trustee throughout this planned period.

The Academy's Instruments and Articles do not provide for payments to its trustees without the approval of the Charity Commission. In May 2020, having first received independent legal advice that it could satisfactorily address all the factors outlined in Charity Commission Guidance Note CC29 (Conflicts of interest: a guide for charity trustees) the Board agreed to retain one of its trustees, Emily Pieters, to act as Project Director of the Harmony Works project. The Charity Commission gave its consent to these arrangements, noting the trustees had made a strong case as to why this was in the best interests of the charity.

In particular, the Commission noted that:

- Emily would withdraw from any discussion of the trustees which has any bearing on the terms of her contract to provide project management services or the acceptability of the standard of service provided.
- She would not vote on any of those matters and will not be included when deciding whether a quorum exists at a meeting to discuss them.
- In accordance with the Academy's Conflicts of Interest Policy:
  - any payments to Emily would be disclosed in the Academy's Annual Report and Financial Statements
  - She had agreed to declare the existence of this contract in her Trustee Declaration of Interest, published on the Academy's website.

Except for Emily Pieters' work as Project Director of the Harmony Works project, all trustees give of their time freely, no other trustee remuneration or expenses were paid in the year, and no other trustees registered a conflict of interest during the year, other than those noted in note 17 of the accounts.

### Organisational structure

The Board met six times during 2020-21. At its meetings the trustees agree the broad strategy and areas of activity for the Charity, including consideration of grant making, investment, reserves and risk management policies and performance.

In 2019 the Board established a Working Group to oversee the Harmony Works project. Its membership includes two trustees (Ian Falconer and Emily Pieters) and the Music Director. The Group, which met 13 times during 2020-21, is advisory, with no delegated powers except the permission to approve expenditure within budgets already determined by the Board. The Board met informally with the Working Group twice during the year for updates on the project.

Throughout 2020-21 we have continued to supplement our Board meetings with regular informal catchups with management, supporting the Music Director and his team as they determined the Academy's response to the constantly changing external environment caused by the Covid-19 pandemic and the evolving health and educational guidance issued by Government. We are grateful for the considerable extra time that individual trustees have invested to support the charity during this period.

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 (*continued*) for the year ended 31 July 2021

#### Risk Management

The trustees keep the major risks to which the charity is exposed under regular review and have established systems and procedures to manage them.

The trustees consider that the Academy's major financial risks continue to be 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 that one source of funding and any unfunded liabilities arising from the Harmony Works project. Donations and grants received during the year helped to mitigate these risks, although the Covid-19 pandemic has reduced our fundraising opportunities, and the trustees continue to review alternative future strategies.

The pandemic presents an additional financial risk i.e., the difficulty of promptly reducing our costs in line with any possible reduction in income (e.g., due to a reduced provision, financial hardship of students' families or a drop in the number of students) might put pressure on our free reserves. To date however, our cashflow predictions suggest the likelihood of this risk having a material impact remain low.

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, particularly given the increase in online working during the pandemic. The Board includes trustees with practical experience of safeguarding and legal and data protection issues and has commissioned independent IT and estates advice that will help mitigate these risks.

Finally, as the pandemic continues and our pupil numbers grow, we have recognised two related risks:

- *That the number of our students and staff experiencing poor mental health continues to increase, adversely impacting upon our ability to deliver our full curriculum offer.* Although we have successfully run completely online and offered blended tuition for short bursts of time, we are not complacent about the long-term impact of the continued uncertainty on our people. We have encouraged all staff and students to consider their emotional well-being and to seek help if they are experiencing symptoms of stress, anxiety, or burnout. We offer support and guidance to those who need it and are looking at ways to increase the range and amount of resource available.
- *That the Academy's teaching premises are not accessible nor fit for future purpose, in terms of capacity and quality.* In the short term we have been able to hire alternative premises for socially distanced face-to-face ensemble tuition when our usual premises have not been available. And in the longer term 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 2021-22 AND BEYOND

We have worked imaginatively to create a flexible, 'virus resilient' timetable with options that allow us to continue our delivery of first-rate musical tuition during the 2021-22 academic year irrespective of the current virus control measures in place.

We are immensely proud of the extra hard work and dedication shown by our staff, students and families during this time. So many of the benefits of studying an instrument come from learning how to make music with others: ensemble playing is a key part of musical tuition; learning to lead; to follow; to listen; to interact. We will not always be able to offer quite this kind of experience online, but it is undoubtedly one of the most valuable and enjoyable parts of being a musician. We therefore envisage suspending ensemble work only when absolutely necessary and introducing more intense periods of ensemble tuition when this is allowed.

## Sheffield Music Academy

### Trustees' Report (*continued*) for the year ended 31 July 2021

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

- Continue to work closely with the DfE Music and Dance Scheme as it improves processes for greater efficiency and transparency
- Continue to grow the standard and numbers of student applications, and to further strengthen our teaching staff.
- Re-introduce in person concerts and events with a focus on quality and showcasing the hard work of our students
- Re-introduce the remaining musical offerings, such as choir, that have been impacted by Covid-19 closures.
- Expand our offering to include a concert band, offering opportunities for students to experience new genres of music
- Strengthen ties with community partners to deliver outreach work and expand on the Healthy Holidays work undertaken in summer 2021
- Recruit new members of the administrative team to support the work of the General Manager and place a greater focus on marketing and publicity of the Academy to encourage more student applications from those in greatest need, and to continue to attract new audiences and new members of teaching staff.
- Increase fundraising activity for purchase of additional instruments to support expansion of SMA
- Continue to build towards the full realisation of our vision for Harmony Works.

#### 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 not 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 or 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 of Sheffield Music Academy on 31 January 2022 and signed on their behalf by:



**Ian Falconer**  
Interim 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 2021

### **Responsibilities and basis of report**

As the charity's trustees of the Company (and 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.

Signed: 

Sarah Lightfoot  
Employee of:  
VAS Community Accountancy  
The Circle  
33, Rockingham Lane  
Sheffield  
S1 4FW

Date: 17 March 2022

# Sheffield Music Academy

## Statement of financial activities

(incorporating the income and expenditure account)

For the year ended 31 July 2021

					As restated - see note 18		
		Unrestricted funds	Restricted funds	Total	Unrestricted	Restricted	Total
	Notes	£	£	2021	funds	funds	2020
				£	£	£	£
Income from:							
Grants and donations	2	11,519	97,745	109,264	12,157	98,510	110,667
Charitable activities	3	335,854	-	335,854	355,697	-	355,697
Fundraising	4	-	-	-	3,585	-	3,585
Investments - bank interest		86	-	86	358	-	358
Other - profit on sale of assets		-	-	-	542	-	542
		347,459	97,745	445,204	372,339	98,510	470,849
Expenditure on:							
Charitable activities	5	342,169	111,377	453,546	362,243	82,152	444,395
		342,169	111,377	453,546	362,243	82,152	444,395
Net income/(expenditure)		5,290	(13,632)	(8,342)	10,096	16,358	26,454
Transfers	11	(7,784)	7,784	-	(3,144)	3,144	-
Gain on revaluation of fixed asset	8	-	-	-	-	-	-
Net movement in funds		(2,494)	(5,848)	(8,342)	6,952	19,502	26,454
Total funds brought forward - as originally stated							
		177,882	26,662	204,544	174,804	7,160	181,964
Prior year adjustment	18	15,629	-	15,629	11,755	-	11,755
Total funds brought forward as restated		193,511	26,662	220,173	186,559	7,160	193,719
Total funds carried forward		191,017	20,814	211,831	193,511	26,662	220,173

# Sheffield Music Academy

## Balance Sheet As at 31 July 2021

		<i>As restated</i>	
	Notes	Total 2021 £	Total 2020 £
<b>Fixed assets</b>	<b>8</b>	<b>97,663</b>	<b>92,767</b>
<b>Current assets</b>			
Debtors	<b>9</b>	33,976	29,571
Cash at bank and in hand		131,305	134,845
<b>Total current assets</b>		<b>165,281</b>	<b>164,416</b>
Creditors: amounts falling due within one year	<b>10</b>	(51,113)	(37,010)
<b>Net current assets</b>		<b>114,168</b>	<b>127,406</b>
<b>Total assets less current liabilities</b>		<b>211,831</b>	<b>220,173</b>
Creditors: amounts falling due after more than one year		-	-
<b>Total net assets</b>		<b>211,831</b>	<b>220,173</b>
<b>Represented by:</b>			
<b>Funds of the Charity</b>			
General Funds		139,071	151,851
Designated funds	<b>12</b>	19,667	9,381
Revaluation Reserve	<b>13</b>	32,279	32,279
<b>Unrestricted Funds Total</b>		<b>191,017</b>	<b>193,511</b>
Restricted Funds	<b>14</b>	20,814	26,662
<b>Total Funds</b>	<b>15</b>	<b>211,831</b>	<b>220,173</b>

For the year ending 31 July 2021 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 31 January 2022 and signed on their behalf by:

  
Ian Falconer  
Interim Chair  
Sheffield Music Academy



**Notes to the Accounts**  
**For the year ended 31 July 2021**

**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 the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and with the Charities Act 2011. The financial statements have taken advantage of the exemption to 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) Tangible fixed assets**

The following accounting policy has been revised during the year - see note 18

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

Instruments collection	At valuation
Working instruments	10 years straight line or no depreciation
Office equipment	5 years straight line

The Trustees have undertaken to carry out an impairment review of the Instruments collection each year, to ensure no significant factor has affected the value during the year. In addition to this, all the instruments in the Instruments collection will be revalued by an expert every 3-5 years with any movement in the valuation being 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.

**(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.



**Notes to the Accounts - continued**  
**For the year ended 31 July 2021**

**1 Accounting Policies - continued****(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.

Designated funds are funds set aside at the discretion of the trustees for a specific project.

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, despite the DfE having yet to confirm the funding for 2022-23, the organisation has sufficient reserves to continue 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 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Concert Donations	262	-	262	2,194	-	2,194
Friends of Sheffield Music Academy	-	-	-	550	-	550
Other Donations	2,942	-	2,942	1,413	-	1,413
GRI Group	5,000	-	5,000	5,000	-	5,000
D'Oyly Carte Foundation	-	-	-	-	2,872	2,872
Sheffield City Council - coronavirus business grant scheme	3,315	-	3,315	3,000	-	3,000
<u>Bursaries</u>						
The Amber Trust	-	1,930	1,930	-	525	525
<u>Harmony Works</u>						
Architectural Heritage Fund	-	61,315	61,315	-	21,113	21,113
CMS LLP - donation in kind	-	26,000	26,000	-	36,000	36,000
Falconer Associates Ltd	-	3,500	3,500	-	-	-
Sheffield City Council - Harmony Works	-	5,000	5,000	-	38,000	38,000
	<b>11,519</b>	<b>97,745</b>	<b>109,264</b>	<b>12,157</b>	<b>98,510</b>	<b>110,667</b>

**3 Income from charitable activities**

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Fees paid by Department for Education	224,444	-	224,444	256,008	-	256,008
Fees paid by parents	110,293	-	110,293	94,816	-	94,816
Artistic Projects	-	-	-	432	-	432
Instrument Hire	835	-	835	480	-	480
Other income	282	-	282	3,961	-	3,961
	<b>335,854</b>	<b>-</b>	<b>335,854</b>	<b>355,697</b>	<b>-</b>	<b>355,697</b>

**Notes to the Accounts - continued**  
**For the year ended 31 July 2021**

<b>4</b>	<b>Net income from fundraising activities</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2020</b>
		£	£	£	£	£	£
	Music Marathon	-	-	-	3,585	-	3,585
		-	-	-	<b>3,585</b>	-	<b>3,585</b>

**5 Expenditure on charitable activities**

				As restated - see note 18			
	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Permanent staff costs	6	280,951	23,311	304,262	276,613	6,589	283,202
Temporary staff and deputies		3,567	-	3,567	19,613	-	19,613
Academic costs		21,449	-	21,449	17,846	-	17,846
Staff training		1,071	-	1,071	2,040	-	2,040
Rent and premises costs		9,098	-	9,098	11,790	-	11,790
Artistic project expenditure		1,617	-	1,617	68	-	68
Administration costs		6,585	-	6,585	12,830	-	12,830
Marketing		1,936	-	1,936	5,113	-	5,113
Insurance		475	-	475	1,546	-	1,546
Depreciation	8	4,304	-	4,304	5,301	-	5,301
Bank charges		90	-	90	127	-	127
Bad debts (written off) or provision made		5,638	-	5,638	4,247	-	4,247
Independent examination fee	7	2,100	-	2,100	2,100	-	2,100
Department for Education grant audit		960	-	960	960	-	960
Payroll services (including pension charges)		2,328	-	2,328	2,036	-	2,036
Legal and professional fees		-	-	-	13	-	13
Harmony Works feasibility project		-	88,066	88,066	-	75,563	75,563
Total charitable expenditure		342,169	111,377	453,546	362,243	82,152	444,395

**6 Staff Costs**

	<b>2021</b>	<b>2020</b>
	£	£
Salaries	292,999	274,327
Employer's national insurance contributions	8,837	7,606
Employer's allowance	-	(775)
Employer's pension contributions	2,426	2,044
	<b>304,262</b>	<b>283,202</b>

The average number of monthly employees was 35 (2020: 32). No employee received emoluments of more than £60,000 in the year.

Notes to the Accounts - continued  
For the year ended 31 July 2021

**7 Fees paid to independent examiner's organisation**

	2021 £	2020 £
Independent examination fee	<u>2,100</u>	<u>2,100</u>
Other fees paid:		
Department for Education grant audit	960	960
Payroll	2,328	2,036
Software licence	252	252
Fees for other work done	-	42
	<u>3,540</u>	<u>3,290</u>

**8 Tangible Fixed Assets - restated**

	Instrument collection £	Working instruments £	Office equipment £	Total £
<b>Cost or Valuation</b>				
As at 1 August 2020	40,000	86,240	4,988	131,228
Additions	-	9,200	-	9,200
Disposals	-	-	-	-
As at 31 July 2021	<u>40,000</u>	<u>95,440</u>	<u>4,988</u>	<u>140,428</u>
<b>Depreciation</b>				
As at 1 August 2020 - as restated	-	33,473	4,988	38,461
Depreciation charge	-	4,304	-	4,304
Disposals	-	-	-	-
As at 31 July 2021	<u>-</u>	<u>37,777</u>	<u>4,988</u>	<u>42,765</u>
<b>Net Book Value</b>				
As at 31 July 2021	<u>40,000</u>	<u>57,663</u>	<u>-</u>	<u>97,663</u>
As at 31 July 2020 - as restated	<u>40,000</u>	<u>52,767</u>	<u>-</u>	<u>92,767</u>

Working instruments include 15 instruments that are considered to hold their value - therefore no depreciation has been charged on these assets.

**9 Debtors**

	2021 £	2020 £
Fees payable by Department for Education	11,850	10,731
Fees payable by parents	9,298	13,574
Other debtors	-	4,098
Prepayments	12,828	1,168
	<u>33,976</u>	<u>29,571</u>

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

	2021 £	2020 £
Trade creditors	17,254	5,291
July Salaries	23,489	21,048
Other taxes and social security	3,520	2,925
Other creditors	651	465
Accruals	6,199	7,281
	<u>51,113</u>	<u>37,010</u>

**Notes to the Accounts - continued**  
**For the year ended 31 July 2021**

**11 Harmony Works**

	Restricted Fund Note 14 £	Designated Fund Note 12 £	Total Funds £
Income from grants and donations	95,815	-	95,815
Expenditure on charitable activities	(111,377)	-	(111,377)
Net income/(expenditure)	(15,562)	-	(15,562)
<b>Transfers</b>			
SMA contribution set aside re match funding for the year	-	20,000	20,000
Use of SMA contribution on expenditure during the year	9,714	(9,714)	-
Total transfers	9,714	10,286	20,000
Net movement in funds	(5,848)	10,286	4,438
Fund balances brought forward	21,662	9,381	31,043
Fund balances carried forward	15,814	19,667	35,481
Restricted fund - grants provided by external funders, and project expenditure			
Designated fund - funds set aside by the trustees for match funding			
<b>Prior year comparison</b>			
	Restricted Fund £	Designated Fund £	Total Funds £
Income from grants and donations	95,113	-	95,113
Expenditure on charitable activities	(82,152)	-	(82,152)
Net income/(expenditure)	12,961	-	12,961
<b>Transfers</b>			
SMA contribution set aside re match funding for the year	-	12,000	12,000
Use of SMA contribution on expenditure during the year	7,335	(7,335)	-
Use of SMA contribution on 2018 expenditure previously funded from general funds	-	(600)	(600)
Total transfers	7,335	4,065	11,400
Net movement in funds	20,296	4,065	24,361
Fund balances brought forward	1,366	5,316	6,682
Fund balances carried forward	21,662	9,381	31,043

Notes to the Accounts - continued  
For the year ended 31 July 2021

## 12 Designated funds

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Harmony Works	9,381	-	-	10,286	19,667
	<b>9,381</b>	<b>-</b>	<b>-</b>	<b>10,286</b>	<b>19,667</b>

**Harmony Works**

The trustees determined to set aside £20,000 in the 20/21 financial year towards the match funding element of the feasibility stage of the Harmony Works project (see the trustees' report for further detail). £9,714 was transferred into the restricted fund for the match funding of expenditure in the financial year, leaving a balance of £19,667 carried forwards for future costs.

*Prior year comparison*

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Harmony Works	5,316	-	-	4,065	9,381
	<b>5,316</b>	<b>-</b>	<b>-</b>	<b>4,065</b>	<b>9,381</b>

*Harmony Works*

The trustees determined to set aside £12,000 in the 19/20 financial year towards the match funding element of the feasibility stage of the Harmony Works project (see the trustees' report for further detail). £7,335 was transferred into the restricted fund for the match funding of expenditure in the financial year, and £600 transferred to the general funds to match expenditure from 2018/19, leaving a balance of £9,381 carried forwards for future costs.

## 13 Revaluation reserve

	2021 £	2020 £
Revaluation reserve brought forward	32,279	32,279
Revaluation during the year	-	-
Revaluation reserve carried forward	<b>32,279</b>	<b>32,279</b>

## 14 Restricted funds

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Ensemble 360 Academy Project	5,000	-	-	-	5,000
Harmony Works	21,662	95,815	(111,377)	9,714	15,814
Bursaries	-	1,930	-	(1,930)	-
	<b>26,662</b>	<b>97,745</b>	<b>(111,377)</b>	<b>7,784</b>	<b>20,814</b>

**Ensemble 360 Academy Project**

This project is funded by Sheffield Town Trust, The Freshgate Trust Foundation and JG Graves Charitable Trust. The project was due to take place in the financial year 2019-20, but remains postponed due to COVID-19.

**Harmony Works**

Money is being raised towards the feasibility stage of the Harmony Works project (see the trustees' report for further detail).

**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 totalled £1,930 this year, which has therefore been transferred to unrestricted funds.

*Prior year comparison*

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Ensemble 360 Academy Project	5,000	-	-	-	5,000
The D'Oyly Carte Charitable Trust	-	2,872	-	(2,872)	-
Harmony Works	1,366	95,113	(82,152)	7,335	21,662
Bursaries	794	525	-	(1,319)	-
	<b>7,160</b>	<b>98,510</b>	<b>(82,152)</b>	<b>3,144</b>	<b>26,662</b>

**Notes to the Accounts - continued**  
**For the year ended 31 July 2021**

**14 Restricted funds - continued****Ensemble 360 Academy Project**

*This project is funded by Sheffield Town Trust, The Freshgate Trust Foundation and JG Graves Charitable Trust. The project was due to take place in the financial year 2019-20, but was cancelled due to COVID-19.*

**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 £7,335 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 totalled £1,319 this year, which has therefore been transferred to unrestricted funds.*

**15 Analysis of net assets between funds**

	General Funds £	Designated Funds £	Restricted Funds £	Total 2021 £
Tangible fixed assets	97,663	-	-	97,663
Current assets	110,411	19,667	35,203	165,281
Creditors: amounts falling due within one year	(36,724)	-	(14,389)	(51,113)
	<u>171,350</u>	<u>19,667</u>	<u>20,814</u>	<u>211,831</u>
<i>Prior year comparison - as restated</i>	<i>General Funds £</i>	<i>Designated Funds £</i>	<i>Restricted Funds £</i>	<i>Total 2020 £</i>
Tangible fixed assets	92,767	-	-	92,767
Current assets	125,367	9,381	29,668	164,416
Creditors: amounts falling due within one year	(34,004)	-	(3,006)	(37,010)
	<u>184,130</u>	<u>9,381</u>	<u>26,662</u>	<u>220,173</u>

**16 Trustees and key management remuneration, benefits and expenses**

The trustees were not paid or received any other benefits from employment with the charity in the year for their role as trustees (2020: £nil). No trustees were reimbursed expenses during the year (2020: £nil).

Emily Pieters, trustee, received payment of £18,200 in the year for being the project manager of the Harmony Works project (2020: £nil). Permission was obtained from the Charity Commission to make these payments as required by the constitution.

No other charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Key management, consisting of trustees and the Music Director, received total employee benefits of £49,299 during the year (2020: £41,831). The Music Director was paid for an additional 0.5 days per week during 20/21.

**17 Related Party Transactions**

Falconer Associates Limited, a company owned by trustee Ian Falconer and his wife, provide pro-bono PR advice of £3,500 to the Harmony Works project during the year.

There were no other related party transactions other than those listed above and in note 16.

**Notes to the Accounts - continued**  
**For the year ended 31 July 2021**

**18 Prior year adjustment**

The trustees have reviewed the fixed asset policy and categorisation during the year. This has resulted in a change to the accounting policy - see note 1 of the accounts. The trustees have determined that the change in accounting policy requires a prior year adjustment (as opposed to a change in accounting estimate) and therefore the prior year figures have been restated.

The changes to the policy are summarised below:

<b>Previous asset type</b>	<b>Previous policy</b>	<b>Revised policy</b>	<b>Revised asset type</b>
Musical Instruments of significant value	At valuation	At valuation	Instruments collection
Other Musical Instruments	20% Reducing Balance	10 years straight line or not depreciated	Working instruments
Office equipment	20% Reducing Balance	5 years straight line	Office equipment

Tangible fixed assets - previous year revised note 8

	<b>Instrument collection £</b>	<b>Working instruments £</b>	<b>Office equipment £</b>	<b>Total £</b>
Cost or Valuation				
As at 1 August 2019	40,000	78,423	4,988	123,411
Additions	-	10,027	-	10,027
Disposals	-	(2,210)	-	(2,210)
As at 31 July 2020	<u>40,000</u>	<u>86,240</u>	<u>4,988</u>	<u>131,228</u>
Depreciation				
As at 1 August 2019 - restated	-	29,611	3,991	33,602
Depreciation charge - restated	-	4,304	997	5,301
Disposals	-	(442)	-	(442)
As at 31 July 2020	<u>-</u>	<u>33,473</u>	<u>4,988</u>	<u>38,461</u>
Net Book Value				
As at 31 July 2020	<u>40,000</u>	<u>52,767</u>	<u>-</u>	<u>92,767</u>
As at 31 July 2019	<u>40,000</u>	<u>48,812</u>	<u>997</u>	<u>89,809</u>
Depreciation				
As at 1 August 2019 - restated - as originally stated	-	41,761	3,596	45,357
Prior year adjustment	-	12,150	(395)	11,755
Depreciation charge - restated - as originally stated	-	8,896	279	9,175
Adjustment to 19/20 depreciation charge	-	4,592	(718)	3,874
Cumulative depreciation adjustment	<u>-</u>	<u>16,742</u>	<u>(1,113)</u>	<u>15,629</u>