



TRUSTEES' ANNUAL REPORT & ACCOUNTS
for the period ending
31 MARCH 2017

Charity Registration Number 1151872

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Finding Rhythms,
32 Cubitt Street,
London, WC1X 0LR

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Legal Name:	Finding Rhythms CIO
Charity Registration No:	1151872
Principal address:	32 Cubitt Street London, WC1X 0LR
Governing Document:	Constitution dated 2 May 2013
Trustees who served:	Mr Gerard Elias, CBE QC, Chair His Honour Judge Nicholas Hilliard QC Mr David Jenkins, Treasurer Mr Jeff Montgomery (Resigned Nov '16) Lady (Cynthia) Morrison-Bell (Resigned Mar '17) Mr Herb Nahapiet, OBE (Appointed Nov '16)
Patrons:	Baroness Floella Benjamin, OBE Mr Robin Millar, CBE Mr Max Reinhardt Mr Mark Thompson
Principal staff:	Robin Harris, Creative / Operations Director Emily Vermont, Executive Director (Resigned Oct '16) Nadine Walker, Operations Assistant (Resigned Mar '17) Clare Annamalai, Business Director (Appointed Nov '16)
Bankers:	CAF Bank (Charities Aid Foundation) 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4TA
Insurers:	CaSE Insurance Services Limited Manor House 19 Church Street Leatherhead, KT22 8DN
Independent Examiner:	Debbie Mace 23 Forgebank Walk Halton LA2 6FD
Website:	finding-rhythms.co.uk

Trustees' Report

The trustees are pleased to present their annual report together with the financial statements for Finding Rhythms CIO for the year ending 31 March 2017.

The financial statements comply with the Charities Act 2011, and 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).

Structure, Governance and Management

Finding Rhythms was founded as a Charitable Incorporated Organisation with a Constitution dated 2 May 2013.

During the financial year ending March 2017 six Trustees served on the Board of Finding Rhythms and they are referred to throughout this report as the Trustees or the Board.

Mr Gerard Elias, QC was appointed Chair in June 2015, having served as a Trustee since November 2014, and Mr David Jenkins was appointed Treasurer in July 2015. To date Trustees have been recruited through referrals only. The Trustees represent a broad range of skills and experience, spanning business, governance, finance, the arts and the criminal justice sector. They did not receive any remuneration.

There were some changes to the Board during this financial year. Mr Jeff Montgomery and Lady Morrison-Bell chose to step down, having both completed three-year terms. Mr Herb Nahapiet OBE joined the Board, bringing experience as Managing Director of a private prisons operator (Sodexo), as a civil engineer and as Treasurer of The Koestler Trust. The Directors and current Trustees are actively seeking to recruit further Trustees in 2017-18, to oversee the charity's operations and continued growth. The Directors and Board have agreed the personal and professional profile required in three further Trustees. In making appointments, the Trustees will apply an equal opportunities policy and strive to diversify the Board.

The day-to-day management of the charity from April to October 2016 was the responsibility of the Executive Director with the support of the Creative Director and Operations Assistant, and with regular advice from the Chair and Treasurer. In October 2016 Emily Vermont stepped down as Executive Director and Clare Annamalai, who joined the charity as Business Director in November 2016, became responsible for day-to-day management. Nadine Walker, who joined Finding Rhythms as Operations Assistant in 2015, left in charity in March 2017, to pursue her own projects.

During 2016-17 the Board met formally five times, and held a number of less formal meetings with the Directors to guide operations and ensure that the charity continued to meet its charitable objectives.

Risk Management

The Trustees have reviewed the major risks and are confident that there are systems in place to manage them.

Objectives and activities

The objectives of Finding Rhythms are laid out in its Constitution are as follows:

- a) promoting social inclusion by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society;
- b) the advancement of education in the arts and music;
- c) the advancement of the arts and music;
- d) the relief of those in need by reason of disadvantage;
- e) the promotion of physical and mental health,

by means (not exclusively) of the teaching and encouragement of music in prisons and in other institutions established for the care or education of people.

Finding Rhythms' mission is *to make society safer by changing the behaviour of offenders through creating music*. We do this through courses of music-based work experience, which result in albums of broadcast-quality new music by prisoners who also have the chance to earn a BTEC in employability skills.

Our intensive 36 hour projects are led by some of the UK's top touring artists and result in a professionally produced album, authored and performed by prisoners. Our work has attracted the attention of the Guardian and Times, and has been played on Radio 6 Music and BBC World Service.

As at 31 March 2017 we had worked with 199 prisoners in 16 prisons, completed 21 albums of music and helped 129 prisoners to achieve a BTEC qualification.

We demonstrate that the skills used in the context of writing, producing and delivering an album of music on time and to a professional standard are transferable to many areas of work and life. Participants on our projects have the chance to earn the Edexcel accredited BTEC in '*Supporting Employability and Personal Effectiveness*' (SEPE) and to date 96% of eligible candidates have passed.

Every session is delivered by a team of three professional musicians who work alongside participants to compose and record an album of music from scratch. Prisoners and professional musicians collaborate in an artist-producer relationship, rather than in the more conventional teacher-pupil relationship. This lack of hierarchy creates a feeling of empowerment that is too often stripped away in the prison environment.

Achievements and Performance

In 2016-17 we...

- Engaged approximately 101 male and female, young and adult prisoners on eleven courses across the South of England, the East of England and the Midlands. This was an 84% year on year increase in learner numbers.
- Produced ten albums of music, authored by prisoners and comprising 88 diverse tracks. These were printed to CD and made available to stream online.
- Ran courses in seven prisons new to Finding Rhythms, including working for the first time in a Category A prison, HMP Whitemoor.
- Helped 64 prisoners to achieve a BTEC in Supporting Employability and Personal Effectiveness.
- Invested in a duplicate set of workshop equipment.
- Ran three training sessions for our regular practitioners. Our intensive workshops in prisons are very demanding on practitioners. They require not only exceptional musical skills, but also an ability to manage participants, nurture talent, observe behaviour, and encourage collaboration. We have long felt that we should offer specialist training to support our practitioners in this, so the successful training days were a notable achievement. Following these training sessions, four of our regular guest musicians led workshops for the first time. This additional leadership resource, combined with the duplicate set of equipment, means we can now run overlapping courses, increasing our reach and our organisational resilience.

- Successfully navigated our first major change of personnel, as Clare Annamalai took over the day-to-day running of the charity from co-founder Emily Vermont.
- Welcomed Herb Nahapiet OBE to the Board.
- Ran a very successful collaboration with Trinity Laban Conservatoire of Music and Drama. This week-long project saw 10 Trinity Laban music students working alongside 10 prisoners at HMP Thameside. The week culminated in a performance for prisoners, guards, family of the Trinity Laban students and members of the Finding Rhythms team. The course challenged and developed the musicians from the conservatoire as much as those from the prison. As a charity that aims to change perceptions of what offenders can achieve, and to encourage a new generation of artists into outreach work, this project is one that we will certainly look to replicate.
- Employed 22 musicians and music engineers from across the UK.
- Started a pilot project to run music workshops with prisoners released on licence.
- Started to charge prisons a small contribution for our services, as part of a plan to diversify our income.
- Won 12 Koestler Awards, two of which were platinum.

Statement of Public Benefit

2016 saw the publication of Dame Sally Coates' review of education in prison, commissioned by the Ministry of Justice. Dame Sally called for education to be put at the heart of the prison regime, and pointed to the way that improved prison education not only transforms individual prisoners' lives, but can also benefit society by building safer communities and reducing the significant financial and social costs arising from reoffending. The review highlighted ten different types of learning that should be incorporated in the prison educational regime, at least three of which are central to the Finding Rhythms approach:

- High quality vocational training and employability skills that prepare individuals for jobs on release
- Personal and Social Development (PSD), including behaviour programmes, family- and relationship-learning, and practical skills
- Provision of arts, music and sport activities

Dame Sally's comprehensive review supported many of the principles on which Finding Rhythms was founded, stating that:

"Education must do more than simply address deficits in basic skills. Prisoners must be offered a learning journey and encouraged to take responsibility for it. The best way to incentivise prisoners to learn is to deliver education in an engaging way that makes sense to the learner, and enables meaningful progress."

"The provision of art, drama and music courses is not a core part of current OLASS (Offenders' Learning and Skills Service) arrangements. Where they do operate, and where there have been one-off projects or performances with visiting arts companies, they are often the first thing that prisoners, staff and Governors tell me about. The arts are one route towards engaging prisoners when they have had negative experience of traditional classroom subjects, or struggle with self-esteem and communication. They can be the first step towards building confidence for more formal learning."

It was very encouraging to see, later in the year, so many of Dame Sally's recommendations being accepted as part of the Prisons and Courts Reform Bill. Notably, the Bill proposed to enshrine in law the purpose of prison as a place of reform and rehabilitation, and to give prison governors control over budgets for education, employment and health. The Bill was dropped as a result of the June 2017 General Election, but we take heart from the fact that important principles have been established, and hope that a new government will progress with these much needed reforms.

Prisoner numbers remained high and indeed continued to rise during 2016-17, with the UK having the highest rate of imprisonment in Western Europe. Along with overcrowding and understaffing, rising rates of self-harm and suicide in prisons gave great cause for concern. In this context, it is hardly surprising that purposeful activity is so

often inadequate or lacking.

The Bromley Briefing for Autumn 2016 paints a grim picture of prisoner needs and provision of activity:

Characteristic	% of prison population	% of general population
Taken into care as a child	24%	2%
Regularly truanted from school	59%	5%
Expelled or permanently excluded from school	42%	>1% in 2005
No qualifications	47%	15% of working age population
Never had a job	13%	3.9%
Identified as suffering from both anxiety and depression	25%	15%

- Only 44% of prisons received a positive rating from inspectors in 2015–16 for purposeful activity work.
- Time out of cell is very limited in local prisons and young adult prisons. Three in 10 people in local prisons and nearly four in 10 people in young adult prisons said they spent less than 2 hours a day out of their cells.
- In 10 of the 34 adult male prisons inspected in 2015–16 there were not enough activity places to ensure all prisoners could access education or vocational training throughout the week.
- Almost three-quarters of prisons inspected by Ofsted were judged as requiring improvement or inadequate for learning and skills.

In this context Finding Rhythms continues to play a valuable role in providing purposeful, creative and developmental activity to prisoners, with minimal drain on prison resources. The 36 hours of contact time and 14 hours of individual preparation required by our courses ensure that participants:

- Have time out of their cell, engaging constructively with other prisoners and the project team
- Have an increased sense of purpose for the duration of the course
- Have an increased sense of achievement and self-worth after the course
- Learn valuable soft skills for employment, and can evidence these with an entry level BTEC qualification
- Are empowered to express themselves, using music and songwriting to reflect on their situation and communicate important messages
- See learning and education in a new and better light
- Get to stretch their creative muscles and engage in high-quality arts activity
- Are better prepared for life on release and less likely to reoffend.

The Trustees have read and understood the Charity Commission's guidance on Public Benefit.

Impact

We know that our courses help participants to develop in three specific areas which help to reduce reoffending:

Relationships:

The challenge of creating an album of music from scratch in 36 hours is such that participants have to work as a team, communicate effectively and respect each other's contribution. The shared sense of purpose, tight deadline and growing recognition of each other's strengths and talents forges a strong sense of community and develops the emotional understanding that is needed for relationships at work, at home, or in any other context.

89% said that the course helped them work better with other people

88% said the course helped them to express themselves

Employment:

Our courses encourage many of the soft skills that employers look for, and participants have the chance to earn a BTEC in *Supporting Employability and Personal Effectiveness*, to show prospective employers their achievements

in communication, teamwork, task management and reflective learning.

87% said they learnt more about working in a high-pressured, professional environment

To date, **91%** of our candidates have passed the BTEC

Identity and self-belief:

Many prisoners feel defined by their imprisonment, have never had a job and have underperformed in the education system, so they have very few positive achievements to their name. We give participants the chance to shine at something, whether percussion, singing, rapping, lyric-writing or being a facilitator.

85% said Finding Rhythms helped them think differently about themselves

90% said they felt more positive about what they could achieve in future

Feedback from participants and staff

"I've seen a lot of things in my self and in each and every person in this group that has helped me learn about what I have to do in the future. There's been great teamwork here and a great sense of respect. Which shows in the fact that we've been able to agree to disagree." - Participant, HMP Rochester

"You have to trust each other a bit, as a big team, as a group aiming to make the album, and also individually, when we're working in pairs, twos and threes, writing songs or adding bits to each other's work, and we've all had to let go of stuff in order to get more back. And that's something that I'm not used to doing, so that was good." - Participant, HMP Ford

"To watch people change in front of your eyes, find talent they did not know they had. It's hard to put into words." - Participant, HMP Grendon

"Some element of freedom. The time I spent down here allows me to take my mind off being in prison sort of thing...I'm able to be myself again sort of thing and interact with people like yourselves and that. And personally it's been a great influence on me...I've been able to discover certain talents about myself that I never thought I had." - Participant, HMP The Mount

"What I need to improve on, I think, is not be so pushy with what I'm doing. Because obviously I know what I'm doing, and I should give other people the same time and be patient with them" - Participant, HMYOI Feltham

"Everyone listens to each other.....the other day, I come in here with an idea about a song. You listened to my chorus and you made a beat out of it, then went to verses, people listening to each other, how everyone's going to fit together on the track....it works quicker through listening to each other." – Participant, HMP Isis

"The course was driven by high musical expectations and skilful leadership, providing a safe and positive environment in which the learners could take risks and develop to their full potential." – SEPE Internal Verifier, Superact

"The residents who took part described the course as "phenomenal, brilliant, spot on" and said they "didn't feel judged in any way". All involved clearly valued the experience and it was good to see how their confidence and ability to work as a group developed over the week." - Governor, HMP Grendon

"I can honestly say in my 14 years here it felt like one of the most worthwhile enjoyable courses. You lads seriously rock and have the best rapport with the lads that it makes it so easy to work with you all." - Education Team Member, HMYOI Feltham

The Finding Rhythms Team

Robin Harris | Creative & Operational Director

For the last ten years Robin has made a full time living as a musician, touring the world with renowned artists as well as building up a successful business providing music for corporate and private events all over the UK. He is a skilled educationalist with a passion for nurturing the next generation of musicians. Before founding Finding Rhythms with Emily Vermont, Robin had worked for Live Music Now! on several music projects in prisons.

Clare Annamalai | Business Director

Clare spent 20 years in European commercial roles within the retail and pharmaceutical industries before moving into arts administration. She is a Trustee of Lightbox Theatre.

Gerard Elias, CBE QC | Chair

Gerard was a leading criminal barrister with a career spanning 50 years and an involvement in some of the most important cases on the Welsh Circuit. He was a Deputy High Court Judge and a Recorder and is a former Leader of the Wales and Chester Circuit. He chaired Sports Resolutions UK; is Chancellor, Diocese of Swansea and Brecon; Chairman of ECB's Cricket Discipline Commission and of the MCC Disciplinary Panel.

His Honour Judge Nicholas Hilliard, QC | Trustee

Nicholas was a high profile criminal barrister who in January 2015 became the Recorder of London, the most senior legal post at the Old Bailey. Before that he was the 80th Common Serjeant of London, a post he had held since May 2013. Judge Hilliard is also a Trustee of Crisis, the charity for single homeless people, and the Ben Kinsella Trust, which aims to promote awareness of the effects of knife crime.

David Jenkins | Treasurer

David is a financial analyst whose career spans work in London to the Philippines. He is currently CFO and Company Secretary for Squint/Opera Limited.

Herb Nahapiet, OBE | Trustee

Herb is a chartered civil engineer who spent the first half of his career in construction and the second in the criminal justice field, notably as the first managing director of what is now Sodexo Justice Services. Herb has also done extensive pro bono work for government and the third sector in the UK and around the world, and is Vice Chairman and Treasurer of The Koestler Trust.

During this financial year Finding Rhythms employed a total of 22 musicians and music engineers. These practitioners were engaged on a freelance basis, with one lead musician and one support musician being present in every workshop alongside a music engineer. Creative & Operational Director, Robin Harris, was responsible for recruitment and mapping of personnel for each project and ensuring that the work was delivered to the high standard that we expect.

Plans for 2017-18

Our aims for the next *five* years are:

- To impact upon more offenders
- To change public perception of offenders
- To carry out our activities more effectively and efficiently, by building a sustainable organisation committed to the reduction of offending through music-making.

During 2017-18 these aims will be achieved with the following activities:

Music-making projects in prisons - 10 music-making courses, in prisons in London, the South East and (for the first time) in Wales, engaging a total of 120-150 participants, making 10 albums of original music and employing ~20 professional musicians.

Extending a pilot of post-release music-based mentoring - in collaboration with partners who specialise in supporting ex-offenders, including the Probation Service, Community Rehabilitation Companies and mentoring charities.

Live performance and digital dissemination of music made in prisons - increasing the number of end-of-course presentations in the prisons themselves and exposing our music to a wider audience through radio play, live events and partnerships.

Training and professional development for practitioners - At least 2 practitioner training days during the period. Training days are as valuable for experienced team members as they are for new joiners, and are critical to ensuring that we continue to deliver gold-standard music-making courses which promote artistic excellence and personal development.

Diversifying income - Continuing to request a small contribution from prisons, and exploring other revenue-generation opportunities to fund our charitable activity.

Measurement - Begin a study of our social return on investment.

Financial Statement

Over the course of the financial year 2016-17 incoming resources totalled £157,682. Outgoing resources totalled £171,431. This gave a net deficit of £13,749, with free reserves totalling £86,231. Of this £27,533 was designated to a contingency fund - see below.

Reserves Policy

The Trustees have agreed to designate part of the charity's unrestricted reserves to a contingency fund. The aim is that this contingency fund will be maintained at the level of approximately six months of running costs (i.e. not project costs). The contingency fund will be managed by the Board of Trustees.

At the end of this financial period, £27,533 of unrestricted funds have been identified as suitable for this purpose. This is equivalent to approximately six months' running costs.

The Trustees will review this policy annually, taking into account the expansion of the charity and the associated risks.

Supporters in 2016-17

The Board wishes to thank all those individuals and organisations who have donated, or made contributions in other ways, to the running and administration of Finding Rhythms during the year. Without your support, the charity could not continue to exist. Significant supporters during 2016-17 include:

29th May 1961 Charitable Trust

Andrew Lloyd Webber Foundation

Buckinghamshire Community Foundation

City and Metropolitan Welfare Charity

Evan Cornish Foundation

Friends of Grendon

Kent Community Foundation

The Funding Network

The Goldsmiths' Company

The Ironmongers' Company

The Mercers' Company

The Scolt Head

The Sheriffs' and Recorder's Fund

Trusthouse Charitable Trust

Youth Music

Statement of Trustee Responsibilities

Company law requires the Trustees (who are also the directors of Finding Rhythms CIO for the purposes of company law) to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period.

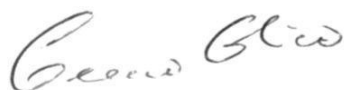
In preparing those financial statements. The directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose reasonable accuracy at any time the financial position of the charitable company and to 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 responsible steps for the prevention and detection of fraud and other irregularities.

This report has been delivered in accordance with the provisions in part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

Signed:

A handwritten signature in cursive script, appearing to read "Gerard Elias".

Gerard Elias

Chair of Trustees, on behalf of the Board

Date: 8.9.2017

Independent Examiner's Report to the Trustees of the Finding Rhythms

Report to the trustees of Finding Rhythms on the accounts for the year ended 31 March 2017 set out on pages 13 to 20.

Respective responsibilities of the trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year (under section 144 (2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts (under section 145 of the 2011 Act),
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the Act),
- and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My work was conducted in accordance with the General Directions given by the Charity Commissioners. My procedures consisted of comparing the accounts with the accounting records kept by the CIO, and making such limited enquiries of the officers of the CIO as I considered necessary for the purposes of this report. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In the course of my examination, no matter has come to my attention

- 1 which gives me reasonable cause to believe that in any material respect, the requirements to keep accounting records in accordance with section 130 of the Charities Act; and to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Charities Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.
- 2 have not been met; or to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Debbie Mace

23 Forgebank Walk
Halton
LA2 6FD



Independent Examiner

Date: 10-Sep-17

FINDING RHYTHMS
A Charitable Incorporated Organisation - Reg no 1151872
Statement of Financial Activities
incorporating an Income and Expenditure Account
For year ended 31 March 2017

		2017	2017	2017	2016
		<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
		<u>funds</u>	<u>funds</u>	<u>FUNDS</u>	<u>FUNDS</u>
	NOTES	£	£	£	£
Income					
Income from donations	2	26,464	124,125	150,589	147,669
Income from charitable activities	3	6,839	0	6,839	18,809
Investment income	4	254	0	254	0
Total Income		33,557	124,125	157,682	166,478
Expenditure					
Costs of raising funds		693	0	693	8,846
Expenditure on Charitable activities	5	89,296	81,442	170,738	128,916
Total expenditure		89,989	81,442	171,431	137,762
Net Income/(Expenditure) and net movement in funds for the year		(56,432)	42,683	(13,749)	28,716
RECONCILIATION OF FUNDS					
Total funds brought forward		88,498	11,482	99,980	71,264
Total funds carried forward		32,066	54,165	86,231	99,980

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 20 form part of these accounts

FINDING RHYTHMS

A Charitable Incorporated Organisation - Reg no 1151872

Balance Sheet as at 31 March 2017

		2017		2016	
	Notes	£	£	£	£
Current Assets					
Debtors	11	7,228		1,662	
Cash at bank		91,974		129,991	
Total current assets			99,202		131,653
Current Liabilities					
Creditors falling due within one year	12	12,971		31,673	
Total current liabilities			12,971		31,673
Net Current assets			86,231		99,980
Total assets less current liabilities			86,231		99,980
The funds of the charity:	14				
<u>Unrestricted funds</u>					
Designated fund – contingency fund		27,533		27,533	
General unrestricted funds		4,533		60,965	
			32,066		88,498
Restricted funds			54,165		11,482
			86,231		99,980

For the financial year ended 31 March 2017 the directors are satisfied that the charitable company was entitled to exemption from audit under Section 477 of the Companies Act 2006 and no notice has been deposited under Section 476. The accounts have been examined by an Independent Examiner, in accordance with section 145 of the Charities Act 2011. Her report appears on page 12.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006, and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss (surplus or deficit) for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006.

ON BEHALF OF THE BOARD OF TRUSTEES

Signed:



Approved by the Board of Trustees on: 8.9.2017

Name: **G. Elias**

The notes on pages 16 to 20 form part of these accounts

FINDING RHYTHMS
Statement of Cash Flows
For year ended 31 March 2017

	Note	2017 £	2016 £
Cash generated/(used) in Operating Activities	16	<u>(38,271)</u>	<u>49,677</u>
<u>Cash flows from investing activities</u>			
Interest income		254	0
Cash provided by/(used in) investing activities		<u>254</u>	<u>0</u>
Cash used in financing activities		<u>0</u>	<u>0</u>
Increase/(decrease) in cash and cash equivalents in the year		(38,017)	49,677
Cash and cash equivalents at the beginning of the year		129,991	80,314
Total cash and cash equivalents at the end of the year		<u>91,974</u>	<u>129,991</u>

FINDING RHYTHMS

Notes to the accounts

1. ACCOUNTING POLICIES

a) Basis of preparation

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 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 Acts 2006.

Finding Rhythms meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s).

b) Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

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

d) Donated services and facilities

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 is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102) general volunteer time is not recognised but is referred to in the trustee's annual report.

e) Fund accounting

Unrestricted Funds are funds received which have no restrictions placed on their use and are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the trustees have decided to set aside to use for a specific purpose.

Restricted Funds are funds which are to be used for purposes as specified by the funder.

FINDING RHYTHMS

Notes to the accounts

	2017	2017	2017	2016
	£	£	£	£
2. INCOME FROM DONATIONS				
<u>Grants Received</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
Andrew Lloyd Webber Foundation	0	10,100	10,100	0
Arts Council England	0	1,492	1,492	25,032
C H K Charities Ltd	0	0	0	5,000
Chesterhill Charitable Trust	500	0	500	500
City & Metropolitan Welfare Charity	2,000	0	2,000	0
Evan Cornish Foundation	0	7,500	7,500	4,000
Garfield Weston Foundation	0	0	0	30,000
J Paul Getty Jnr Charitable Trust	10,000	0	10,000	10,000
John R Murray Charitable Trust	0	0	0	15,000
Sheriffs' and Recorder's Fund	0	2,000	2,000	0
Swan Mountain Trust	0	0	0	2,000
Taurus Trust	0	0	0	5,000
The 29th May 1961 Charitable Trust	5,000	0	5,000	5,000
The Clothworkers' Foundation	0	0	0	7,300
The Ellis Campbell Foundation	0	0	0	3,000
The Goldsmiths' Company	0	5,000	5,000	0
The Ironmongers' Company	0	6,000	6,000	0
The Mercers' Company	0	26,711	26,711	0
The National Foundation for Youth Music	0	39,156	39,156	0
The Noel Buxton Trust	0	0	0	500
The Overstone Fund (Kent Community Foundation)	0	5,000	5,000	0
The Worshipful Company of Weavers' Benevolent Fund	0	0	0	10,000
Sir James Roll Charitable Trust	1,000	0	1,000	0
Trusthouse Charitable Foundation	0	11,500	11,500	6,500
Donations	7,964	9,666	17,630	15,897
Donated Services	0	0	0	2,940
	<u>26,464</u>	<u>124,125</u>	<u>150,589</u>	<u>147,669</u>

Donations (including Grants Receivable) in 2016 were £147,699 of which £105,000 were unrestricted, £42,669 were restricted.

Donated (pro bono) services are included in the account as income and in expenditure - 0 in 2017 (2016 £2,940 - Governance, Strategic and Business Planning).

	<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
	£	£	£	£
3. INCOME FROM CHARITABLE ACTIVITIES				
Fundraising event proceeds	0	0	0	16,710
Sale of CDs and merchandise	139	0	139	99
Contributions from prisons	6,700	0	6,700	2,000
	<u>6,839</u>	<u>0</u>	<u>6,839</u>	<u>18,809</u>

Income from charitable activities in 2016 totalled 18,809, of which 16,809 was unrestricted, and 2,000 was restricted.

	2017	2016
	£	£
4. INVESTMENT INCOME		
Deposit account interest	<u>254</u>	<u>0</u>

FINDING RHYTHMS

Notes to the accounts

	2017	2016
	£	£
5. EXPENDITURE ON CHARITABLE ACTIVITIES		
Musician's fees and related costs	86,684	49,981
Workshop equipment & materials	1,895	7,686
Participant BTEC/EDexcel certification	6,070	4,907
Creative professional fees	2,082	1,731
CD design and printing	3,591	4,027
Studio and venue hire	2,037	1,849
Support costs (note 6)	67,279	53,795
Governance Costs (note 7)	1,100	4,940
	<u>170,738</u>	<u>128,916</u>
6. SUPPORT COSTS	£	£
Staff costs (note 9)	55,141	46,082
Staff recruitment	2,328	0
Staff travel and training	1,051	988
Office equipment	0	856
Office and general costs	8,759	5,869
	<u>67,279</u>	<u>53,795</u>
7. GOVERNANCE COSTS	£	£
Strategic and Business Planning	0	2,940
Accountancy fees	200	1,100
Independent examiner fees	900	900
	<u>1,100</u>	<u>4,940</u>
8. NET OUTGOING RESOURCES		
The Operating Surplus is stated after charging :-	£	£
Depreciation	0	0
Trustee Emoluments	<u>0</u>	<u>0</u>
9. ANALYSIS OF STAFF COSTS, AND TRUSTEE REMUNERATION AND EXPENSES		
	£	£
Salaries	54,012	44,746
Employer's National Insurance Contributions	4,129	3,336
Reduced by: Employers Allowance	(3,000)	(2,000)
	<u>55,141</u>	<u>46,082</u>

No employees received employee benefits exceeding £60,000 (2016 nil).

Trustee remuneration and expenses

The trustees all give freely their time without any form of remuneration or other benefit in cash or in kind.

10. STAFF NUMBERS

The average monthly head count was three during the year being 1.8 full time equivalents (2016 - three).

Notes to the accounts

	2017	2016
	£	£
11. DEBTORS		
Other debtors	6700	146
Prepaid expenses	528	1,516
	7,228	1,662
12. CREDITORS		
Deferred Income (note 13)	0	16,500
Trade Creditors and accruals	10,885	13,908
H M Revenue & Customs	1,086	1,265
Other creditors	1,000	0
	12,971	31,673
13. DEFERRED INCOME		
Grants allocated to future	0	16,500
Total deferred	0	16,500
Balance at 1 April	16,500	2,000
Amount released to Income from Charitable Activities	0	(2,000)
Amount released to Donations	(16,500)	0
Amount deferred in year	0	16,500
Balance at 31 March	0	16,500

	Balance at 31 March 2016	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2017
	£	£	£	£	£
14. STATEMENT OF FUNDS					
<u>Unrestricted funds</u>					
Designated funds	27,533	0	0	0	27,533
General funds	60,965	33,557	89,989	0	4,533
	88,498	33,557	89,989	0	32,066
<u>Restricted funds</u>					
Business Director post	0	26,711	13,955	0	12,756
HMP The Mount project	0	10,100	9,363	0	737
HMYOI Feltham project	0	5,000	5,000	0	0
Grants for Equipment	1,645	0	1,645	0	0
HMP & YOI ISIS project	0	6,000	6,000	0	0
HMP Grendon project	0	2,000	2,000	0	0
HMP Rochester project	0	5,000	5,000	0	0
Project costs	0	2,000	2,000	0	0
Out of prison work	0	7,666	1,242	0	6,424
Training Programme	5,500	0	5,500	0	0
Practitioner Training Programme	3,321	1,492	4,813	0	0
Swinfen Hall courses	0	7,500	0	0	7,500
Projects in Young Offender Institutions	0	39,156	12,408	0	26,748
Operations Assistant funding	1,016	11,500	12,516	0	0
	11,482	124,125	81,442	0	54,165
TOTAL FUNDS	99,980	157,682	171,431	0	86,231

FINDING RHYTHMS

Notes to the accounts

14. STATEMENT OF FUNDS (cont.)

Unrestricted funds are available to be spent for any of the purposes of the charity.

Designated funds have been set aside by the Trustees to provide for contingencies, as outlined in the reserve policy

The balance of funds from The Mercers' Company, for the Business Director post, will continue to be spent for this purpose in the first five months of 2017-18

The balance of funds from The Andrew Lloyd Webber Foundation, for HMP The Mount, will go towards a further prison project in 2017-18

The balance of funds from The Funding Network, for music-making with ex-prisoners in the community, will go towards further community workshops in 2017-18

The balance of funds from Evan Cornish Foundation will go towards a project at HMYOI Swinfen Hall scheduled to start in June 2017

The balance of funds from Youth Music will go towards further projects in young offender institutions during 2017 and early 2018

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Cash at bank and in hand	(509)	27,533	63,950	91,974
Other net assets /(liabilities)	5,042	0	(9,785)	(5,743)
	4,533	27,533	54,165	86,231

16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOWS

	2017 £	2016 £
Net movement in funds	(13,749)	28,716
Deduct interest income shown in investment activities	(254)	0
Decrease/(increase) in debtors	(5,566)	10,295
Increase/(decrease) in creditors	(18,702)	10,666
Net cash used in operating activities	(38,271)	49,677

17. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

18. CONTINGENT LIABILITIES

The charitable company had no material contingent liabilities at 31 March 2017 (2016 none).

19. RELATED PARTIES

There were no disclosable related party transactions during the year (2016 - none).