

Company number: 06581022

Charity Number: 1124609

The Organisation for New Music and Sound

(trading as Sound and Music)

Report and financial statements

For the year ended 31 March 2019

The Organisation for New Music and Sound

Contents

For the year ended 31 March 2019

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	17
Statement of financial activities (incorporating an income and expenditure account)	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements	24

The Organisation for New Music and Sound

Reference and administrative information

For the year ended 31 March 2019

Company number 06581022 – incorporated in the United Kingdom

Charity number 1124609 – registered in England and Wales

Other name by which the charity makes itself known Sound and Music

Registered office and operational address Somerset House
Strand
London
WC2R 1LA

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Gregory Davies (Chair) (appointed as Chair 11th December 2018)

Sasha Afanasieva (resigned 25th September 2018)

Catherine Bunting (appointed 12th June 2019)

Edward Corn

Belinda Dee

John Knell (Chair) (resigned as Chair and Trustee) 11th December 2018)

Dennis Lee

Jean-Baptiste Thiebaut

Joanne Thomas

Shirley Thompson

Key management personnel Susanna Eastburn – Chief Executive
Sophie Morrison – Head of Development
Victoria Johnson – Head of Digital and Audience Engagement
Hannah Bujic – Co-Head of Artistic Development
Will Dutta – Co-Head of Artistic Development
Judith Robinson – Head of Education
Roger Horton – Finance Manager

The Organisation for New Music and Sound

Reference and administrative information

For the year ended 31 March 2019

Investment Managers	Seven Investment Management Limited 125 Old Broad Street London EC2N 1AR
Bankers	CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Solicitors	Bircham Dyson Bell 50 Broadway London SW1H 0BL
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

The trustees present their report and the audited financial statements for the year ended 31 March 2019.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The charity's purposes as set out in the objects contained in the Memorandum and Articles of Association are to:

"Promote and foster the understanding and appreciation of sonic art and music including (but not limited to) new British music."

Its mission is to maximise the opportunities for people of all ages to create and enjoy new music.

The organisation has three aims:

- Support and promote a diverse range of talented composers;
- Enrich the experience of a significantly larger national audience for experimental new music;
- Nurture and promote the musical creativity and compositional skills of children and young people.

The charity seeks to achieve these aims through activities that include composer and artist development, partnerships with a range of organisations, audience development including a range of digital platforms and services, a live events programme, network building, education, advocacy and campaigning. Sound and Music champions new music and the work of British composers and artists, and seeks to ensure that they are at the heart of cultural life and enjoyed by many.

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

Benefits to the public of Sound and Music's activities include:

- Working to increase the diversity of composers who are benefiting from talent development opportunities and whose work is heard by the public, both through Sound and Music's own programmes and through campaigning;
- Working in partnership with other organisations to develop composers' talent, and to create ambitious new work which is presented publicly;
- Supporting new music to get to more people nationally, especially outside London, including through Sound and Music's Composer-Curator live events programme;
- Supporting composers to develop new skills, networks and the capabilities necessary to thrive in a new music career;
- Education work nationally: both in schools, and out of schools (including Sound and Music's acclaimed Summer School for composers aged 14–18, the only activity of its kind in the UK);
- Proactively working to improve the public's access to and discovery of a wide range of new music and composers;
- Online access to a vast range of resources, from national collections of music scores and recordings to blogs, opportunities for composers, toolkits, research and evaluation;
- Disseminating information about new music, in the form of e-newsletters, information about upcoming events, social media and public events;
- Access to the British Music Collection, 30,000 20th and 21st century music scores located in Heritage Quay, the state-of-the-art archive centre at the University of Huddersfield, and also catalogued online alongside a wealth of content including AV footage, recordings, photographs and interviews;
- Increasing Sound and Music's own and the new music sector's understanding and use of data, so as better to communicate with the public and stimulate their interest in new music.

Sound and Music is a national and international organisation that aims to reach all those with an interest in new music in the UK as well as to help a wider range of people to engage with it.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on developing, promoting and championing new music and the work of composers nationally, and are undertaken to further Sound and Music's charitable purposes for the public benefit.

2018–19 was a year of significant change in SaM's management. A longstanding member of staff (Director of Programmes) left, and the opportunity was taken to restructure SMT through the creation of three new Heads of... positions (Artist Development, Digital and Audience Engagement, Education), directly correlating to the business plan's three core aims and increasing clarity and accountability across the team.

2018–19 was also the first full year of the new business plan which progressed well, establishing Year 1 baselines as well as making good progress against strategic objectives. Processes for

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

monitoring and evaluation were improved, with quarterly KPI reporting and strategic objective review now embedded in Senior Management Team and Board meetings.

Alongside these major organisational achievements, a busy programme of activity was delivered that included the following achievements relating to the three aims of the business plan:

Support and promote a diverse range of talented composers

In total 40 composers were actively engaged with Sound and Music's artist development programmes during the year. 2018–19 was the first full year of the New Voices programme, replacing Sound and Music's previous artist development programmes Embedded, Portfolio, Pathways and Next Wave. 15 composers were supported as part of the first cohort of New Voices, and the call and selection process for the second cohort (announced in May 2019) was run. Other composers were supported through a mix of programmes including the final projects of previous programmes, the Composer–Curator programme, Adopt A Composer, the ISCM, Francis Chagrin Awards and the George Butterworth Award.

Sound and Music is making good progress towards its gender parity target, as well as growing representation from BAME artists; further work is needed to improve the number of disabled artists and this is an important part of plans for 2019–20.

New Voices is viewed very positively by participants and wider sector partners (eg via PRS Foundation's Talent Development Partner network). Its design principles address many shortcomings (which can inhibit diversity) of other artist development programmes. It has a 2-stage application process (with simple registration of interest as a first step); integration of coaching as well as mentoring; co-design of context for new work with the artist themselves (ie, they are not composing for a pre-determined ensemble or date); peer networking opportunities and also breadth of genre, which leads to a cohort of composers who collectively make an incredibly powerful statement about what British new music can be today.

Enrich the experience of a significantly larger national audience for experimental new music

This was a year of strong strategic development for two of Sound and Music's core online platforms: the Sampler (user-drive events listings and blog site) and the British Music Collection (online new music discovery website relating to but separate from the physical archive held at Heritage Quay in the University of Huddersfield). The Sampler saw its audience grow to an average of 3k per quarter, whilst the British Music Collection attracted 12k unique users – much of which can be attributed to increased involvement of the platform in curated campaigning, with increased and enriched content uniquely published on the platform. Within the team there is also increasing strategic alignment in planning for these two platforms, meaning that in future there should be more cross-platform promotion and improved user experience.

6 Composer–Curator projects benefited audiences around the country with a range of work including electronic nights in Sheffield, experimental and improvised music in Liverpool, three

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

captivating evenings at the Longplayer installation in Trinity Buoy Wharf and much more. The team also began work on a new approach to artist-led touring in areas of low engagement, developing new partnerships with organisations based in Hull, Stoke-on-Trent and Sunderland.

6 podcasts, featuring composers and events from around the country, were released, reaching just under 2000 streams.

The organisation also continued to lead the New Music Cluster of organisations collaborating on audience development, specifically in the development of a New Music Dashboard (which will be prototyped in 2019–20) to aid organisations in sharing data insight in order for the sector to better understand and serve audiences across the country. Even at this early stage of development, there has been an unprecedented level of sharing of analytics and events data between the participating organisations.

Significant work towards the rebrand took place, with the Board signing off the brand essence and core design principles. Implementation of the rebrand will start in 2019–20.

Nurture and promote the musical creativity and compositional skills of children and young people

The Summer School had another excellent year with great testimonies from students and staff.

The Go Compose project funded by Youth Music is now under way, working with partners Community Music (benefiting young people not in education, employment or training); Drake Music (disabled young people); University of Huddersfield (girls using technology). Regular evaluation and reflection enables SaM and all partners to learn a huge amount including: the challenges and best ways of engaging disadvantaged young people; the commonalities in encouraging composing across different genres; the value of a peer network. SaM is already considering the next steps for this work beyond the funded project.

The Can Compose survey launched during the year, achieving over 500 responses (10% over target). The Listen Imagine Compose website also saw excellent traffic with over 2500 visits. Subscribers to the education newsletter also grew significantly. The year also saw an unanticipated growth in delivery of CPD training for teachers over and above the accredited Masters programme we run – there is a growing demand for non-accredited CPD around composing, and this has increased the number of teachers and hubs we're working with.

Sound and Music also remained actively engaged in wider policy developments, including the Head of Education's involvement in MEC and Music Mark, and input into the emerging National Plan and Model Music Curriculum, focussing (as always) on children being supported to create their own music, and to progress this.

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

Campaigning

In 2018–19, for the first time Sound and Music curated a range of activity around Black History Month, including a public release of data, a collection on Minute of Listening, and specially commissioned content on the British Music Collection website (two series on BAME composers curated by Clifton Harrison and Des Oliver). This activity began in Black History Month but continues (ie beyond BHM itself) and will continue to develop profile in 2019–20.

Sound and Music also updated its gender equality campaign for International Women's Day in March 2019, including a public release of data, a month of curated content on the British Music Collection (one female composer per day), a collection on Minute of Listening and a high profile blog and appearance on BBC Radio 3 Breakfast by the Chief Executive.

Financial review: Overview

Sound and Music's total income for the year was £869,515 (2017–18: £981,122), of which £704,659 (2017–18: £704,659) was represented by the core grant from Arts Council England; this grant, like the majority of all National Portfolio Organisations, has been at standstill since 2014 amidst an extremely challenging fundraising environment. Income from projects and fundraising was £159,013 (2017–18: £249,053). Much of this reduction is related to restricted fundraising where agreements have come to an end and not replaced during the financial year. Income from other core grants, donations and membership subscriptions was £5,474 (2017–18: £25,994), and investment income and other activities totalled £369 (2017–18: £1,416).

The organisation expended £993,919 (2017–18: £1,005,675).

General funds

The deficit for the year on general funds was £4,732 before transfers and movements on investments.

Following transfers between funds, the net reduction in unrestricted general funds was £35,427.

Designation of funds

It is in the nature of the charity's activities that projects are budgeted in one particular year, but may only complete in the following year, with expenditure partly falling into the following year. The Board agrees in these cases to designate funds in order to secure the project delivery.

At 31st March 2018, the Project Completion Reserve held £135,000 in respect of projects which were originally budgeted for 2017–18 but in respect of which the expenditure was completed in 2018–19. The amount held at 31 March 2019 (£200,296) are funds designated for the completion of a number of projects that were committed to and started in the 2018–19 financial year but with delivery also taking place in 2019–20.

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

Balance on general funds

Retained general funds carried forward at 31 March 2019 amount to £347,276, compared with £382,703 at 31 March 2018.

Restricted funds

At 31 March 2019 there were unexpended Organisational Development Funds of £11,989 and restricted funds relating to projects of £108,000.

Arthur A Paul Memorial Fund – Linked Charity

The Arthur A Paul Memorial Fund represents a linked charity currently administered and managed under a declaration of trust by the Trustees of Sound and Music. Trustees of the AA Paul Memorial Fund are the same as Trustees of Sound and Music. The fund may be applied to advance the knowledge and appreciation of new music by promoting the presentation of original work by emerging composers, musicians and artists. According to the conditions of the Trust Deed governing the transferral of the Fund to Sound and Music, Trustees must seek in the long term to preserve the value of the capital of the Fund having regard to inflation.

The Fund's long term objective is to support, in perpetuity, the charitable activities of Sound and Music. It is invested therefore according to an agreed and annually reviewed Investment Policy Statement which seeks to protect the capital value of the fund whilst generating a sustainable level of financial return.

2018–19 saw some volatility in the markets including a significant downturn towards the end of the financial year. However, an excellent investment policy and careful asset allocation meant that The Arthur A Paul Memorial Fund investment was not over-exposed and held its value, ending the year with a net gain in investments of £21,007. In accordance with the Investment Policy and the agreed formula within it for quarterly calculation of funds to be transferred, The Arthur A Paul Trustees agreed to transfer £51,800 to the charitable activities of Sound and Music to support activities promoting the presentation of original work by emerging composers, musicians and artists, in accordance with the terms of the Trust Deed.

Investment Policy Statement

AA Paul Trustees have an approved Investment Policy Statement. This brings together all of the considerations that are relevant to the management of the AA Paul Memorial Fund portfolio in one place. Any investment managers appointed to manage the assets of the Fund must sign the Investment Policy Statement to acknowledge that they agree to abide by its terms.

The Investment Policy Statement is reviewed annually by the AA Paul Trustees at the end of the financial year to ensure that it continues to describe accurately the objectives, constraints and other requirements of the Fund.

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

The Trustees of the Arthur A Paul Memorial Fund are bound to promote the best long-term interests of the Charity and to make adequate provision for both the present and future funding needs of the Charity. The Fund's long-term objective is to support, in perpetuity, the charitable activities of Sound and Music. To do this, the Investment Policy Statement includes an agreed approach to balancing the need to achieve a financial return sufficient to achieve the Charity's funding objectives, whilst endeavouring to maintain the purchasing power of the Fund's assets and the returns arising after taking into account the effects of inflation.

The Fund's assets are invested in accordance with the requirements of the Trustee Act 2000, Sound and Music's Articles of Association, and Charity Commission requirements. Trustee investment policy decisions are therefore to be made:

- within the scope of the powers of investment available to the Trustees;
- in accordance with the duties in section 4 of the Trustee Act 2000 including consideration of the suitability of investments and of diversification;
- through the adoption of investment strategies agreed by the Trustees and contained within the Investment Policy Statement.

In addition, the Trustees require any investment manager to whom they delegate discretionary powers to exercise their delegated powers only within the guidelines contained in the Investment Policy Statement.

Principal risks and uncertainties

The Board reviews and assesses the risks – strategic, operational and compliance – to which the organisation is exposed at every Board meeting, with the finance sub-committee conducting a prior scrutiny. It holds this information as a Risk Assessment and agrees actions to limit and mitigate risks identified.

The Trustees ensure that the management of risk is ongoing and embedded in management and operational procedures. Risk assessment and management is undertaken under the following areas:

- Governance;
- Operational;
- External factors;
- Compliance with laws and regulations;
- Human resources;
- Environmental;
- Technology, and
- Financial.

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

The major risks to which the charity is exposed, as identified by the Trustees, are reviewed at least quarterly and systems have been established to mitigate those risks as far as possible. Principal risks in 2018–19 were around income generation (which remains an extremely challenging environment for all arts organisations) and staff capacity. Risks around income generation are mitigated as far as possible by the development and monitoring of a development strategy that includes clear and timed income targets; an ongoing programme of research into new income potential; engaging the wider team and the Board in supporting income generation; exploring new income sources including around earned income; balancing (and monitoring closely) expenditure commitments against funding secured or likely; ensuring that the programme is scalable wherever possible; developing strong and distinctive cases for support. The staff capacity risk is mitigated by a number of measures within the new business plan including: a shift to a simpler, annually structured programme of activity to aid capacity planning; ongoing monitoring of commitments and capacity; regular review of processes to simplify and/or automate wherever possible; monitoring and evaluation of activity and impact against capacity to ensure that effort is spent as effectively as possible; restructure and development of the senior management team.

Reserves policy and going concern

Sound and Music's reserves policy is that the organisation shall seek to maintain general fund reserves equal to six months operating expenditure. As at 31 March 2019, therefore, the target amount of general fund reserves is £310,000 which would enable Sound and Music to meet its operating costs and contractual commitments for six months in the event of having to wind up the charity. The current level of general fund reserves held (at 31 March 2019) is £347,276 equating to just above the target level.

There are no material uncertainties about the charity's ability to continue as a going concern.

Plans for the future

Sound and Music is a highly regarded national organisation that works to maximise the opportunities for people to create and enjoy new music. The organisation also has a strong international reputation, in part through some widely respected public campaigning and advocacy on behalf of new music and composers. Many organisations look to Sound and Music as a leader in good practice in artist development and in integrating important considerations such as diversity and representation into the heart of its work.

New Voices will continue to unfold, with the first cohort's projects reaching final outcomes, the commencement of New Voices 2019 projects, and the selection of New Voices 2020. The team is also looking forward to deepening the partner relationships established in Stoke-on-Trent, Hull and Sunderland including hopefully a new development of the Composer-Curator programme focussed on artist-led work for these localities.

2019–20 will be an exciting year for Sound and Music's work in education, with the first students of the distance learning MA in Teaching and Learning (framed around the Listen Imagine Compose action research and Continuing Professional Development programme in how composing is taught

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

and learnt) graduating. The findings of the Can Compose national survey of music educators undertaken in 2019 will be published, moving this into the next phase of campaigning to ensure that children and young people are supported to develop their skills and talent as composers, as a fundamental and core element of a balanced music education.

Minute of Listening, which experienced some delays in 2018–19 due to issues with developers (who were replaced), is looking forward to a successful year of user growth and content development.

For audiences, Sound and Music's offer will continue to be enriched with the relaunch of the podcast, further content development and curation, plus strategic improvements including better user experience across and between platforms, and, with others in the sector, the prototyping of the New Music Dashboard to improve data and insight sharing across the sector, and therefore how audiences are served. Above all, all of Sound and Music's audiences will benefit from the implementation of the rebrand, of which the first phase will encompass the long-overdue redevelopment of the main www.soundandmusic.org website. The rebrand foregrounds the sound and music of composers, aims for greatly improved clarity of message and user experience, and is intended to support the organisation to reach a much wider audience of new music lovers.

Structure, Governance and Management

Sound and Music is a registered charity and a company limited by guarantee. Sound and Music was incorporated on 30 April 2008 and registered as a charity on 20 June 2008. Sound and Music was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

Sound and Music has one standing sub-committee: a Finance Sub-Committee.

The Board met four times in the period. Meetings of the Sound and Music Board are normally attended by the Chief Executive, Executive Assistant and other members of the senior management team.

Appointment of trustees

The Articles of Association lay out the methods by which Trustees are elected and re-elected, the length of terms, and the maximum length of service. Sound and Music shall have at least 3 but no more than 12 Trustees. At each annual general meeting one quarter of the Trustees, being those longest in office, shall retire from office and offer themselves for re-election.

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

Sound and Music recruits new Trustees against a Trustee Brief which includes details of any specialist skills or expertise being sought, and, wherever practical, recruits via open advertisement through a number of channels.

Trustee induction and training

New Trustees receive a Welcome Pack which includes:

- A Trustee Handbook
- Past Board papers
- Previous audited accounts and Annual Report
- Business plan
- Details of other Trustees
- Current business plan

In addition, they have at least one meeting with the Chair. Potential Trustees are invited to observe a meeting before election at the subsequent meeting. New Trustees are also assigned another Board member (apart from the Chair) as a 'board buddy' to assist with any questions the new trustee may have.

Training is available to all Board members. In addition, a Board Awayday is convened annually to review Board performance and organisational strategy.

Related parties and relationships with other organisations

Sound and Music keeps a Conflict of Interest register which is reviewed quarterly by Trustees as a standing agenda item at Board meetings. If a conflict of interest arises, then the conflicted individual takes no part in the discussion and at the judgement of the Chair (or Vice Chair, if it concerns the Chair) may be asked to leave the room.

Details payments to trustees are shown in note 10 of the accounts.

As noted above, Trustees of Sound and Music automatically are elected as Trustees of the linked charity, the Arthur A Paul Memorial Fund.

Finance Sub-Committee

The Finance Sub-Committee's remit is to focus in detail on the financial planning and management of Sound and Music, the investment of its assets, the audit process and the identification and control of risk. It meets four to five times a year and reports at each subsequent Board meeting to the full Board on its business. During the year in question, the Finance Sub-Committee was chaired by Gregory Davies. Other members were John Knell (prior to his retirement), Ed Corn and Belinda Dee.

The Finance Sub-Committee's financial purpose is to: support the effective financial management of Sound and Music; advise and shape Sound and Music's approach to financial planning and

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

monitoring; ensure high standards are achieved in this area of Sound and Music's work; seek to maximise Sound and Music's income and control expenditure and maximise the use of Sound and Music's financial assets; ensure a stable and realistic approach to managing Sound and Music's finances to allow the organisation to undertake its charitable objects in the short, medium and long term.

The Finance Sub-Committee's audit purpose is: to make recommendations to the Board about the appointment of auditors, their contract and remuneration, to review material to be submitted to the auditor and to work in detail with the Chief Executive, Finance Manager and auditors through the process, updating the Board as it proceeds.

The Finance Sub-Committee's risk purpose is to: make regular reviews of the risks to which the organisation is susceptible, report on this to the full Board and to monitor actions in place to control these risks.

Fundraising practice

As a charity, fundraising is an important aspect of Sound and Music and the organisation raises funds through applications to trusts and foundations; through individual donations; through grants from public bodies (including the Arts Council annual National Portfolio Organisation grant) and through earned income.

Sound and Music does not use external professional fundraisers, commercial participators or other third parties in fundraising. The organisation is fully compliant with all relevant and applicable codes and has received no complaints. Individual giving campaigns are designed to protect vulnerable people through a number of measures including full compliance with GDPR legislation (in other words, consent has been given for the charity to be in contact); not employing telemarketers or other third parties to engage in telephone fundraising; and ensuring that any individual giving campaigns are supplied with sufficient information, and are designed to ensure a clear choice and decision on the part of the donor without time pressure being applied.

Remuneration policy

Sound and Music has a remuneration policy which is reviewed and agreed annually.

All roles are recruited within a salary range which is agreed by Trustees. This range is set through consideration of the following factors:

- Comparison with similar roles in the cultural and charity sectors, and other sectors if relevant to filling the role with appropriate qualified staff;
- Sound and Music's business plan and the requirements of its implementation;
- Sound and Music's ability to pay, including:
 - The value created by these roles, both financial and against agreed KPIs
 - The cost to Sound and Music of increasing remuneration levels
 - The organisation's performance against income generation targets

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

Sound and Music also invests in its staff through training and personal development. All members of staff are required to undertake a personal and professional development plan which is reviewed and agreed biannually.

All permanent posts are advertised through open recruitment and the salary range is included in the application pack. Salary ranges are consistent across the same job roles held by different members of staff. Level of pay within this range at the point of contract is determined by factors which include:

- level and relevance of past experience;
- assessment of competencies and training needs.

If an individual is recruited who has the potential but not yet the experience or skill to fill the requirements of the post, then a lower salary than the advertised range may be offered with an agreed package of training and professional development, together with a review point.

Salaries are reviewed annually in line with budget setting and signed off as part of the budget approval process. Pay increases outside this cycle are not offered.

Pay increases are awarded against the factors outlined in Section (2) above, together with consideration of the CPIH measure.

Sound and Music takes a 'whole staff' approach to salary reviews rather than basing it on assessment of individual performance. All staff members are expected to deliver their roles to the best of their abilities, and are supported to do so through performance management as well as their professional development plans. Pay increases will typically be a percentage increase on all staff member's current salary levels. Exceptions to this are rare.

Trustees are ultimately responsible for setting remuneration levels for Sound and Music's staff, advised by the Chief Executive.

The Remuneration Policy is reviewed annually by the Trustees and made available through the Staff Handbook and on the Sound and Music website.

Policy for employment of disabled persons

Sound and Music has an annually reviewed Diversity, Equality and Inclusion Policy which includes the following provision for disabled persons:

Sound and Music will make genuine efforts to recruit people with disabilities and take reasonable steps to make the workplace and individual jobs accessible to people with disabilities.

Trustees' annual report

For the year ended 31 March 2019

Sound and Music will regularly review its facilities for disabled employees, Trustees and volunteers and will try to overcome any problems faced wherever practicable and within reasonable resources available.

Sound and Music will ensure that people have maximum access to employment opportunities and to meetings and events, regardless of any disability.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Organisation for New Music and Sound for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Organisation for New Music and Sound

Trustees' annual report

For the year ended 31 March 2019

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2019 was 9 (2018: 9). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

The trustees' annual report has been approved by the Trustees on 11th September 2019 and signed on their behalf by

Greg Davies
Chair

Independent auditor's report

To the members of

The Organisation for New Music and Sound

Opinion

We have audited the financial statements of The Organisation for New Music and Sound (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

Independent auditor's report

To the members of

The Organisation for New Music and Sound

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Judith Miller (Senior statutory auditor)

18 September 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

The Organisation for New Music and Sound

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2019

	Note	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Arthur A Paul Memorial Fund £	2019 Total £	2018 Total £
Income from:							
Donations and legacies	3	710,133	–	–	–	710,133	730,653
Charitable activities	4						
Artist development		26,886	–	96,665	–	123,551	201,303
Sector development		14,413	–	10,500	–	24,913	22,066
Audience development		10,549	–	–	–	10,549	25,684
Investments		369	–	–	–	369	1,416
Total income		762,350	–	107,165	–	869,515	981,122
Expenditure on:							
Raising funds		90,750	–	–	–	90,750	87,399
Charitable activities							
Artist development		310,749	20,675	147,665	–	479,089	467,869
Sector development		139,728	4,380	5,500	–	149,608	177,825
Audience development		148,349	–	23,000	–	171,349	167,078
Marketing and promotion		77,506	–	–	–	77,506	102,223
Organisational development		–	–	25,617	–	25,617	3,281
Total expenditure	5a	767,082	25,055	201,782	–	993,919	1,005,675
Net (expenditure) before net gains on investments		(4,732)	(25,055)	(94,617)	–	(124,404)	(24,553)
Net gains on investments		7,983	–	–	21,007	28,990	27,998
Net (expenditure)/income for the year	7	3,251	(25,055)	(94,617)	21,007	(95,414)	3,445
Transfers between funds		(38,678)	90,351	–	(51,673)	–	–
Net movement in funds		(35,427)	65,296	(94,617)	(30,666)	(95,414)	3,445
Reconciliation of funds:							
Total funds brought forward		382,703	135,000	214,606	1,122,674	1,854,983	1,851,538
Total funds carried forward	17	347,276	200,296	119,989	1,092,008	1,759,569	1,854,983

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

The Organisation for New Music and Sound

Balance sheet

Company no. 06581022

As at 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets:					
Tangible assets	12		1,620		1,111
Investments	13		1,497,955		1,459,065
			<u>1,499,575</u>		<u>1,460,176</u>
Current assets:					
Debtors	14	5,663		16,950	
Cash at bank and in hand		334,257		440,100	
			<u>339,920</u>	<u>457,050</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(79,926)		(62,243)	
			<u>259,994</u>		<u>394,807</u>
Net current assets					
			<u>259,994</u>		<u>394,807</u>
Total net assets	16a		<u>1,759,569</u>		<u>1,854,983</u>
The funds of the charity:	17a				
Restricted income funds			119,989		214,606
Unrestricted income funds:					
Designated funds		200,296		135,000	
General funds		347,276		382,703	
			<u>547,572</u>	<u>517,703</u>	
Total funds – Sound and Music			<u>667,561</u>	<u>732,309</u>	
Linked charity unrestricted funds:					
Arthur A Paul Memorial Fund			1,092,008		1,122,674
Total funds			<u>1,759,569</u>	<u>1,854,983</u>	

Approved by the trustees on 11 September 2019 and signed on their behalf by

Greg Davies
Chair

The Organisation for New Music and Sound

Statement of cash flows

For the year ended 31 March 2019

	Note	2019 £	£	2018 £	£
Net income for the reporting period (as per the statement of financial activities)		(95,414)		3,445	
Depreciation charges		1,222		1,583	
(Gains) on investments		(28,990)		(27,997)	
Dividends, interest and rent from investments		(369)		(1,416)	
Decrease / (Increase) in debtors		11,287		37,172	
Decrease / (increase) in cash held by investment managers		13,001		1,099	
Increase / (decrease) in creditors		17,683		(47,353)	
Net cash provided by / (used in) operating activities		(81,580)		(33,467)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		369		1,416	
Purchase of fixed assets		(1,731)		-	
Proceeds from sale of investments		52,099		56,800	
Purchase of investments		(75,000)		(125,000)	
Net cash (used in) investing activities		(24,263)		(66,784)	
Change in cash and cash equivalents in the year		(105,843)		(100,251)	
Cash and cash equivalents at the beginning of the year		440,100		540,351	
Cash and cash equivalents at the end of the year		334,257		440,100	

1 Accounting policies

a) Statutory information

The Organisation for New Music and Sound is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is Somerset House, Strand, London, WC2R 1LA.

b) 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 Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

Income from charitable activities is received principally by way of grants and are included in full in the Statement of Financial Activities. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the income.

f) Investment income and interest receivable

Investment income and bank interest receivable is fully accrued at the balance sheet date.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

The Arthur A Paul Memorial Fund is a linked charity, comprised mainly of an endowment fund. Endowment funds comprise expendable endowment capital, over which the trustees have a power of discretion to convert into income. The investment income is therefore credited directly to the endowment fund.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised on an accruals basis 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. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose;
- Expenditure on charitable activities includes the costs of delivering its activities and programmes undertaken to further the purposes of the charity and their associated support costs. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them;
- Other expenditure represents those items not falling into any other heading.

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

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

● Cost of raising funds	15%
● Artist development	40%
● Sector development	15%
● Audience development	23%
● Marketing and promotion	7%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1 Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £2,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|---------------------------|---------|
| ● Office furniture | 5 years |
| ● Equipment and computers | 3 years |

l) Heritage assets

Heritage assets comprise the British Music collection that comprises a library of British music written since 1900. These items are not included on the balance sheet because in the opinion of the trustees the cost of professionally valuing them would outweigh the benefits to the users of the financial statements.

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

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

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

Members of staff are eligible to join a stakeholder pension scheme to which the charity contributes. Contributions are charged to the Statement of Financial Activities for the year in which they relate.

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2019

2 Detailed comparatives for the statement of financial activities

	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Arthur A Paul Memorial Fund £	2018 Total £
Income from:					
Donations and legacies	705,653	–	25,000	–	730,653
Charitable activities:					
Artist development	26,811	–	174,492	–	201,303
Sector development	13,871	–	8,195	–	22,066
Audience development	12,184	–	13,500	–	25,684
Investments	1,416	–	–	–	1,416
Total income	759,935	–	221,187	–	981,122
Expenditure on:					
Raising funds	62,399	–	25,000	–	87,399
Charitable activities			–		
Artist development	315,955	–	151,914	–	467,869
Sector development	145,125	5,000	27,700	–	177,825
Audience development	136,578	–	30,500	–	167,078
Marketing and promotion	102,223	–	–	–	102,223
Organisational development	(122)	–	3,403	–	3,281
Total expenditure	762,158	5,000	238,517	–	1,005,675
Net income / (expenditure) before gains on investments	(2,223)	(5,000)	(17,330)	–	(24,553)
Net gains on investments	(2,374)	–	–	30,372	27,998
Net income / (expenditure)	(4,597)	(5,000)	(17,330)	30,372	3,445
Transfers between funds	(16,295)	73,000	322	(57,027)	–
Net movement in funds	(20,892)	68,000	(17,008)	(26,655)	3,445
Total funds brought forward	403,595	67,000	231,614	1,149,329	1,851,538
Total funds carried forward	382,703	135,000	214,606	1,122,674	1,854,983

3 Income from donations and legacies

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Donations	5,474	–	5,474	994	–	994
Grants:						
Arts Council England	704,659	–	704,659	704,659	–	704,659
John Ellerman Foundation	–	–	–	–	25,000	25,000
	710,133	–	710,133	705,653	25,000	730,653

4 Income from charitable activities

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Artist development:						
Monument Trust	–	–	–	–	50,000	50,000
Youth Music	–	38,352	38,352	–	38,352	38,352
Boltini Trust	–	10,000	10,000	–	–	–
Doyle Cart Foundation	–	3,000	3,000	–	–	–
PRS for Music Foundation	–	–	–	–	10,000	10,000
Leverhulme Trust	–	5,000	5,000	–	10,000	10,000
Ernest Cook Trust	–	7,500	7,500	–	–	–
Birmingham Contemporary Music	–	6,309	6,309	–	2,825	2,825
Angus Allnat charitable Foundation	–	2,000	2,000	–	–	–
British Council Canada	–	–	–	–	4,240	4,240
RVW Trust	–	–	–	–	12,500	12,500
PRSF Grant	–	10,000	10,000	–	5,000	5,000
Garrick Charitable Trust	–	4,000	4,000	–	–	–
S M Fund	–	–	–	–	9,000	9,000
Foyle Foundation award	–	–	–	–	25,000	25,000
Fran Hanley Memorial Trust	–	1,998	1,998	–	–	–
Samuel Gardner Memorial Fund	–	1,500	1,500	–	–	–
Others	–	5,381	5,381	–	7,575	7,575
Project income	26,886	1,625	28,511	26,811	–	26,811
Sub-total for Artist development	26,886	96,665	123,551	26,811	174,492	201,303
Sector development:						
PRS Foundation	–	10,000	10,000	–	6,800	6,800
Bliss Trust	–	500	500	–	–	–
Others	–	–	–	–	1,395	1,395
Project income	14,413	–	14,413	13,871	–	13,871
Sub-total for Sector development	14,413	10,500	24,913	13,871	8,195	22,066

4 Income from charitable activities (continued)

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Audience development						
PRS Foundation	–	–	–	–	13,500	13,500
Project income	10,549	–	10,549	12,184	–	12,184
Fidelity	–	–	–	–	–	–
Sub-total for Audience development	10,549	–	10,549	12,184	13,500	25,684
Total income from charitable activities	51,848	107,165	159,013	235,553	13,500	249,053

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2019

5a Analysis of expenditure (current year)

	Charitable activities						Governance costs £	Support costs £	2019 Total £	2018 Total £
	Cost of raising funds £	Artist development £	Sector development £	Audience development £	Marketing and promotion £	Organisational development £				
Staff costs (Note 8)	54,991	146,644	54,991	87,070	27,496	–	18,330	68,740	458,262	453,067
Direct costs	–	187,755	58,858	27,660	32,131	25,617	–	2,251	334,272	376,888
Grants (note 6)	–	49,332	–	–	–	–	–	–	49,332	24,288
Premises	–	–	–	–	–	–	–	68,466	68,466	69,504
Finance, legal and professional	–	–	–	–	–	–	8,100	8,864	16,964	7,704
Communications	–	–	–	–	–	–	–	11,323	11,323	10,470
Staff recruitment, travel, training and subsistence	–	–	–	–	–	–	2,529	26,550	29,079	32,681
Depreciation of fixed assets	–	–	–	–	–	–	–	1,221	1,221	1,585
General office and administration	–	–	–	–	–	–	–	12,654	12,654	14,670
Computer maintenance and IT	–	–	–	–	–	–	–	12,346	12,346	14,818
	54,991	383,731	113,849	114,730	59,627	25,617	28,959	212,415	993,919	1,005,675
Support costs	31,469	83,917	31,469	49,826	15,734	–	–	(212,415)	–	–
Governance costs	4,290	11,441	4,290	6,793	2,145	–	(28,959)	–	–	–
Total expenditure 2019	90,750	479,089	149,608	171,349	77,506	25,617	–	–	993,919	
Total expenditure 2018	87,399	467,869	177,825	167,078	102,223	3,281	–	–		1,005,675

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2019

5b Analysis of expenditure (prior year)

	Charitable activities								
	Cost of raising funds £	Artist development £	Sector development £	Audience development £	Marketing and promotion £	Organisational development £	Governance costs £	Support costs £	2018 Total £
Staff costs (Note 8)	54,369	154,042	58,899	81,552	27,183	–	18,123	58,899	453,067
Direct costs	–	195,956	83,144	35,981	58,526	3,281	–	–	376,888
Grants	–	24,288	–	–	–	–	–	–	24,288
Premises	–	–	–	–	–	–	–	69,504	69,504
Finance, legal and professional	–	–	–	–	–	–	6,072	1,632	7,704
Communications	–	–	–	–	–	–	–	10,470	10,470
Staff recruitment, travel, training and subsistence	–	–	–	–	–	–	1,247	31,434	32,681
Depreciation of fixed assets	–	–	–	–	–	–	–	1,585	1,585
General office and administration	–	–	–	–	–	–	–	14,670	14,670
Computer maintenance and IT	–	–	–	–	–	–	–	14,818	14,818
	54,369	374,286	142,043	117,533	85,709	3,281	25,442	203,012	1,005,675
Support costs	29,352	83,161	31,797	44,027	14,675	–	–	(203,012)	–
Governance costs	3,678	10,422	3,985	5,518	1,839	–	(25,442)	–	–
Total expenditure 2018	87,399	467,869	177,825	167,078	102,223	3,281	–	–	1,005,675

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2019

6 Grant making

	2019 £	2018 £
Cost		
Community Music	12,936	12,936
Drake Music	11,352	11,352
Birmingham University	10,874	–
University of Huddersfield	14,170	–
At the end of the year	<u>49,332</u>	<u>24,288</u>

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	1,222	1,583
Operating lease rentals:		
Property	46,562	44,770
Auditor's remuneration (excluding VAT):		
Audit – current year	7,200	7,000
Other services – accounts preparation	–	3,000
Other services – over accrual in previous year	(210)	–
Other services – VAT advice	4,710	–

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	408,776	404,718
Social security costs	34,694	34,751
Employer's contribution to defined contribution pension schemes	14,792	13,598
	<u>458,262</u>	<u>453,067</u>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2019 No.	2018 No.
£60,000 – £69,999	<u>1</u>	<u>–</u>

The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel were £269,704 (2018: £217,097).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £Nil (2018: £1,246) incurred by 0 (2018: 12) members relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2019 No.	2018 No.
Charitable activities	14.0	13.7
Raising funds	1.5	1.4
Governance of the charity	1.0	1.0
	<u>16.5</u>	<u>16.1</u>

10 Related party transactions

In 2018 £7,260 was paid to Bircham Dyson Bell LLP for the registration of trade mark applications related to the Minute of Listening programme. The company is a related party by virtue of one of its partners becoming a trustee of the entity during the year ended 31 March 2018. No funds were outstanding at the year end (2018: none). No further payments were made in 2019, and no other related party transactions were made during the year.

There are no donations (2018: none) from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Office furniture	Equipment & computers £	Total £
Cost			
At the start of the year	3,712	17,259	20,971
Additions in year	1,731	–	1,731
Disposals in year	–	–	–
At the end of the year	<u>5,443</u>	<u>17,259</u>	<u>22,702</u>
Depreciation			
At the start of the year	2,637	17,223	19,860
Charge for the year	1,186	36	1,222
Eliminated on disposal	–	–	–
At the end of the year	<u>3,823</u>	<u>17,259</u>	<u>21,082</u>
Net book value			
At the end of the year	<u>1,620</u>	<u>–</u>	<u>1,620</u>
At the start of the year	<u>1,075</u>	<u>36</u>	<u>1,111</u>

All of the above assets are used for charitable purposes.

12 Tangible fixed assets (continued)

In addition to the capitalised functional fixed assets, the charity also owns "The British Music Collection" comprising a music library of some 30,000 scores, 15,000 recordings and background information on British music written since 1900. It includes both published and commercially recorded and unpublished material, and is held on long term deposit at the University of Huddersfield's Archive Centre, Heritage Quay. The written archives of the founder organisations were also placed on long term deposit at Heritage Quay during 2015–16. These assets have not been included in the balance sheet because, in the opinion of the trustees, the cost of professionally valuing them to include a value in the financial statements would outweigh the benefits to the users of the financial statements.

13 Listed investments

	2019 £	2018 £
Fair value at the start of the year	1,445,937	1,349,740
Additions at cost	75,000	125,000
Disposal proceeds	(52,099)	(56,800)
Net gains on revaluation	28,990	27,997
Fair value at the end of the year	1,497,828	1,445,937
Cash held by investment managers for re-investment	127	13,128
Fair value at the end of the year	1,497,955	1,459,065
Listed investments are represented by:		
UK mutual funds	1,497,828	1,445,937
Cash held for investment managers for reinvestment	127	13,128
Fair value at the end of the year	1,497,955	1,459,065

14 Debtors

	2019 £	2018 £
Trade debtors	–	2,030
Other debtors	415	1,890
Prepayments	1,192	852
Accrued income	4,056	10,000
VAT recoverable	–	2,178
	5,663	16,950

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	38,058	17,825
Taxation and social security	9,215	9,410
VAT	15,820	–
Other creditors	2,182	17,070
Accruals	14,651	17,938
	79,926	62,243

16a Analysis of net assets between funds (current year)

	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Arthur A Paul Memorial Fund £	Total funds £
Tangible fixed assets	1,620	–	–	–	1,620
Investments	305,947	100,000	–	1,092,008	1,497,955
Net current assets	39,709	100,296	119,989	–	259,994
Net assets at the end of the year	347,276	200,296	119,989	1,092,008	1,759,569

16b Analysis of net assets between funds (prior year)

	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Arthur A Paul Memorial Fund £	Total funds £
Tangible fixed assets	1,111	–	–	–	1,111
Investments	336,391	–	–	1,122,674	1,459,065
Net current assets	45,201	135,000	214,606	–	394,807
Net assets at the end of the year	382,703	135,000	214,606	1,122,674	1,854,983

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2019

17a Movements in funds (current year)

	At the start of the year £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers £	At the end of the year £
Linked charity						
Arthur A Paul Memorial Fund	1,122,674	–	–	21,007	(51,673)	1,092,008
Restricted funds:						
<u>Artist development:</u>						
Embedded	55,000	20,476	(75,476)	–	–	–
Portfolio	–	–	–	–	–	–
Summer School	75,000	31,212	(21,212)	–	–	85,000
Go Compose	14,000	38,352	(44,352)	–	–	8,000
Other funds	–	6,625	(6,625)	–	–	–
	144,000	96,665	(147,665)	–	–	93,000
<u>Sector development:</u>						
Research	–	–	–	–	–	–
Composer/ Curator	10,000	10,000	(5,000)	–	–	15,000
Other funds	–	500	(500)	–	–	–
	10,000	10,500	(5,500)	–	–	15,000
<u>Audience development:</u>						
Minute of Listening	23,000	–	(23,000)	–	–	–
Organisational development	37,606	–	(25,617)	–	–	11,989
Total restricted funds	214,606	107,165	(201,782)	–	–	119,989
Unrestricted funds:						
General fund	382,703	762,350	(767,082)	7,983	(38,678)	347,276
Designated funds:						
Project Completion Reserve						
<u>Artist development:</u>						
Embedded/New Voices	80,000	–	–	–	69,219	149,219
Go compose	10,000	–	(5,675)	–	–	4,325
Summer School	25,000	–	(15,000)	–	–	10,000
Portfolio	–	–	–	–	1,500	1,500
Adopt a Composer	–	–	–	–	400	400
<u>Sector development:</u>						
Composer/Curator	20,000	–	(4,380)	–	–	15,620
ISCM	–	–	–	–	2,000	2,000
Listen, Imagine, Compose	–	–	–	–	232	232
<u>Audience development:</u>						
Large scale events	–	–	–	–	10,000	10,000
Minute of Listening	–	–	–	–	7,000	7,000
Total designated funds	135,000	–	(25,055)	–	90,351	200,296
Total unrestricted funds	517,703	762,350	(792,137)	7,983	51,673	547,572
Total funds	1,854,983	869,515	(993,919)	28,990	–	1,759,569

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2019

17b Movements in funds (prior year)

	At the start of the year £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers £	At the end of the year £
Linked charity						
Arthur A Paul Memorial Fund	1,149,329	–	–	30,372	(57,027)	1,122,674
Restricted funds:						
Funded salaries	–	25,000	(25,000)	–	–	–
<u>Artist development:</u>						
Embedded	20,000	34,678	–	–	322	55,000
Portfolio	25,000	–	(25,000)	–	–	–
Summer School	70,000	89,765	(84,765)	–	–	75,000
Go Compose	–	38,352	(24,352)	–	–	14,000
Other funds	6,100	11,697	(17,797)	–	–	–
	121,100	174,492	(151,914)	–	322	144,000
<u>Sector development:</u>						
Research	3,000	–	(3,000)	–	–	–
British Music collection	7,505	18	(7,523)	–	–	–
Composer/ Curator	19,000	6,877	(15,877)	–	–	10,000
Other funds	–	1,300	(1,300)	–	–	–
	29,505	8,195	(27,700)	–	–	10,000
<u>Audience development:</u>						
Minute of Listening	40,000	13,500	(30,500)	–	–	23,000
Organisational development	41,009	–	(3,403)	–	–	37,606
Total restricted funds	231,614	221,187	(238,517)	–	322	214,606
Unrestricted funds:						
General fund	403,595	759,935	(762,158)	(2,374)	(16,295)	382,703
Designated funds:						
Project Completion Reserve						
<u>Artist development:</u>						
Embedded	43,000	–	–	–	37,000	80,000
Go compose	–	–	–	–	10,000	10,000
Summer School	–	–	–	–	25,000	25,000
<u>Sector development:</u>						
Composer/Curator	19,000	–	–	–	1,000	20,000
British Music Collection	5,000	–	(5,000)	–	–	–
Total designated funds	67,000	–	(5,000)	–	73,000	135,000
Total unrestricted funds	470,595	759,935	(767,158)	(2,374)	56,705	517,703
Total funds	1,851,538	981,122	(1,005,675)	27,998	–	1,854,983

17 Movements in funds (continued)

Purposes of funds

Linked charity

The Arthur A Paul Memorial Fund represents a linked charity currently administered and managed under a declaration of trust by the trustees of Sound and Music. The fund may be applied to advance the knowledge and appreciation of new music by promoting the presentation of original work by emerging composers, musicians and artists. The trustees of the Arthur A Paul Memorial Fund are required to maintain the capital value of the fund.

Restricted funds

Funded Salaries

Funds provided by the John Ellerman Foundation to support a role in the organisation to support a role dedicated to improving how the organisation collects and uses data to inform every aspect of its work.

Embedded/New Voices fund

Embedded is programme offering artists and composers professional development opportunities through bespoke residencies of circa one year with ensembles and other cultural organisations. Funds provided by the Esmee Fairbairn Foundation.

New Voices is an 18 month composer development programme funded by PRSF and the RVW Trust. Composers receive bursaries, coaching and mentoring to create new work.

Portfolio

Funded by the Esmee Fairbairn Foundation and PRS for Music Foundation, a programme of composer residencies of circa four months with ensembles and other cultural organisations.

Summer School

Funded by the Monument Trust and Arthur Bliss Trust, enabling talented young composers aged 14 to 18 to undertake an intensive residential week at the Purcell School, working with professional composers and musicians.

Go Compose

Funding from Youth Music for a national project explaining how disadvantaged young people can better access opportunities to create their own music.

Research

Funding from Paul Hamlin Foundation as part of a larger grant supporting the Pathways programme and the action research development programme for disabled and B.A.M.E. composers and artists.

British Music Collection

Funds from the RVW Trust to support the New Voices within the British Music Collection. Funds from Shape to support a disability-led artist residency with the British Music Collection. Funds from the Ambache Trust to support the profiling of historical female composers within the British Music Collection.

Minute of Listening

Funds from Fidelity UK Foundation to support the online development of Minute of Listening. Funds from PRS for Music Foundation to support Minute of Listening activity in Hull as part of UK City of Culture 2017.

Composer/Curator

Funded by Help Musicians UK and PRS for Music Foundation, a programme of financial and other bespoke support for composers involved in producing and presenting new music events independently.

Organisational Development

Funding received from Arts Council England as part of a larger grant made with the aim of facilitating the merger of the four founder organisations into Sound and Music. The funding is used to improve and integrate Sound and Music's online audience facing data infrastructure.

Designated funds

Project Completion Reserve. It is in the nature of the charity's activities that projects are budgeted in one particular year, but may only complete in the following year, with expenditure partly falling into the following year. The Project Completion Reserve has been established to ensure that funds are available to meet such expenditure. The amount held at 31 March 2019 (£200,296) has been designated for the completion of several projects committed to and started in the 2018–19 financial year or earlier but with delivery also taking place in 2019–20.

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2019 £	2018 £
Less than one year	48,086	46,562
One to five years	48,086	93,124
	<u>96,172</u>	<u>139,686</u>

19 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.