

Registered company (England and Wales): 1880734

Registered Charity: 326811



REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

FOR

MUSIC IN THE ROUND LIMITED

(Limited by Guarantee, not having a share capital)

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REFERENCE AND ADMINISTRATION INFORMATION

Registered Company No.
1880734 (England and Wales)

Registered Charity No.
326811

Registered Office
4th floor
Sheffield Central Library
Surrey Street
Sheffield S1 1XZ

Trustees
David Brown - Secretary
John Cowling - Chair
Judith Ennis
Ellen Gallagher (appointed 29 April 2019)
Jane Ginsborg
Simon Keefe
Gill MacGregor (resigned 21 January 2019)
Stella Mascarenhas-Keyes
Chloe Wennersten (appointed 29 April 2019)

Artistic Director
Angus Smith

Executive Director
Jo Towler (from 1 July 2018)
Deborah Chadbourn (to 30 June 2018)

Auditors
Hawsons Chartered Accountants
Statutory Auditors
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Chair's Statement

Music in the Round has a target of delivering over 100 income-generating concerts each year. In 2018/19 we presented 126 such events in 33 venues across the country. This includes events for families, schools, children and young people as well as our concert series and annual Chamber Music Festival in Sheffield. Of these, 74 were by members of our resident musicians, Ensemble 360, and 52 featured top-quality guest artists such as Angela Hewitt, Steven Osborne, Rachel Podger, Lars Vogt, Roderick Williams and the Doric String Quartet.

We continued to deliver our excellent concert performances whenever and where possible in our trademark 'in-the-round' style with informal and informative introductions from musicians and added depth from question and answer sessions after a number of concerts. This style of concert continues to be well received by audiences and achieves positive external assessments. Reaching out to audiences continues to be a theme, and our involvement with Classical Sheffield, an organisation that shares and promotes the activities of its 70 members, helps us achieve that goal. Working with Classical Sheffield, we made a significant contribution to a Classical Weekend in March 2019, a festival comprising dozens of free and low-cost concerts performed by people of all ages and abilities, which reached over 10,000 people.

Our programme of concerts around the country included performing in Barking, Bradford-on-Avon, Hull, Keswick, Leamington Spa, London, Milton Keynes, Newcastle-under-Lyme, Nottingham, Portsmouth, Scarborough, Skipton and Warwick, as well as in many venues across Sheffield and South Yorkshire.

Projects and events saw us reaching over 16,000 children, young people and their families during the year. In partnership with our Singer-in-Residence Roderick Williams and pianist Christopher Glynn we led a hugely successful 'Schubert in Schools' project in six locations across the country, using Schubert's 'Winter Journey' as a catalyst to unlock the creativity of Year 7 and 8 students, who sang and composed in whole-class groups. The outcomes were very strong, and point the way for us to develop a three-year plan for secondary-level creativity in collaboration with Music Hubs in South Yorkshire and some of our National Partners.

Sheffield inspires a wealth of culturally diverse, creative music-making, and we presented events with some of the city's leading cross-cultural music-makers, such as Sarah Yaseen (voice), John Ball (tabla) and Kadialy Kouyate (kora). We celebrate the diversity of music with concerts featuring artists such as Catrin Finch (harp) with Seckou Keita (kora). Also included in our concert series was a performance from Rafiki Jazz, which featured digital animations from Islamic artist Zarah Hussain.

We are pleased to report that our financial performance was broadly as expected. We planned to spend around £64,000 of restricted funds carried forward from the previous year to cover a number of specific projects for which funds were earmarked, and the slight overspend was due to additional income received during the year that meant further activity could be undertaken. Underlying core activities continued to contribute a small surplus to our unrestricted reserves.

As the leading national promoter of chamber music in England, Music in the Round's programme is constantly developing to appeal to a broader range of audiences and participants. By appearing in venues such as the Leadmill and Yellow Arch in Sheffield, we are gradually seeing a change in the

demographic of our audiences, demonstrated by a significant increase in sales of tickets to students and those aged under 35.

Our programme will continue to evolve over the coming years as we aim to engage with people from all ages and backgrounds through high-quality chamber music.

Objectives and aims

The objectives of Music in the Round, as stated in its Articles of Association, are to promote, maintain, improve and advance education particularly by the organisation and presentation of programmes, festivals and occasions of a similar kind, which will encourage the arts in general with special reference to the art of string, chamber and other music, singing and related arts.

Mission Statement

Music in the Round brings people and music closer together, whether that's physically experiencing live music 'in the round', through musicians speaking to audiences about the music they're playing, or the contextualising talks and participatory events that form part of our programme. The 'in the round' is most explicitly identified through a physical arrangement of the audience sitting around the musicians, but even more fundamentally it is about connecting people to each other through music in a way that lives on long after the event. We present chamber music – a term we define as an intimate medium for playing and listening to music – that is characterised by passion, excellence and proximity, through:

- a world-class resident group of musicians, Ensemble 360
- outstanding visiting classical musicians in varying stages of their musical careers
- a range of brilliant musicians from other musical genres, including world and folk music
- learning and participation expertise
- a commitment to supporting the development of young audiences and musicians
- delivering unique live music experiences to tens of thousands of people each year

This is music without boundaries, suitable for non-specialist venues, small halls and educational settings, where the links between audience, participants of all ages and musicians of talent and renown are made manifest through communication at every level – the performance of live music, verbally at the event and through resources that are available before, during and after; where the sense of a shared experience is central to the enjoyment of all, and where we bring something different to the venue.

Achievements and Performance

As last year, nearly 70% of our work took place in South Yorkshire, with the rest across England from Carlisle to Portsmouth, delivering events with both resident group Ensemble 360 and high-quality guest musicians. We present in places to audiences that otherwise wouldn't have the opportunity to see and hear chamber music up close by internationally-renowned artists. This includes appearances for the first time as part of Sofar Sounds and Pecha Kucha events in Sheffield, reaching different, younger audiences.

We launched the second phase of our Bridge Scheme, supporting four young BAME string players at the start of their careers, providing coaching, marketing/PR support and performance opportunities during 2018/19. As part of the Classical Weekend 2019 we commissioned tabla virtuoso Kuljit Bhamra to write a piece for tabla and string quartet, which was performed by the Bridge musicians as part of a concert that also featured Sheffield Music Hub Senior Orchestra in pieces for orchestra and tabla. Other commissions included Ellen Sargen and Sheffield-based Platform 4, as well as Laurence Osborn, in partnership with the Royal Philharmonic Society, whose piece *Me and 4 Ponys* was recorded for broadcast by BBC Radio 3 at its premiere in Barnsley.

With Ensemble 360 we presented a rebrand of the 'May Festival' from 11-19 May 2018. A revert to the original title of 'Sheffield Chamber Music Festival' was supported by a significant increase in expenditure to create a bigger programme for a wider range of audiences, including events in the Winter Garden, Dina and Sheffield Cathedral, as well as in our home, the Crucible Studio. Featuring guests including Catrin Finch, Peter Hill, Katerina Karnéus, Sekou Keita, Kadialy Kouyate, Joseph Middleton, Marcus du Sautoy, Roderick Williams and Sarah Yaseen alongside events such as free Vivacity Choir performances, Sheffield's Big Sing for young people and Concerteenies for Early Years and their grown ups, it was a great success and delivered a real 'Festival feel' to the nine days.

During the year, the Leonore Trio and pianist Tim Horton continued their cycles of Beethoven trios/sonatas and Schubert sonatas respectively. Their energetic, insightful performances are hugely popular and continue to be a major draw for audiences.

Learning & Participation

While our Business Plan for 2018-22 draws on our previous successful track record, it recognises the increased importance of our Learning & Participation activities and the routes to attracting wider audiences. Our Learning & Participation programme is therefore a vital and intrinsic part of our overall programme, and the aim is for every Music in the Round concert to have additional activity, ranging from a pre- or post-concert conversation with guest artists to having the opportunity to try the tabla, by 2022. This sits alongside our other events, such as projects and composition workshops in schools, training for Early Years practitioners and masterclasses.

During 2018/19, Music in the Round reached over 16,000 people through our Learning & Participation programme, of which over 10,000 were aged 0-19 years. This means we have now reached the milestone of having engaged with over 150,000 children and young people through participatory activity since 2004.

We have a strong relationship with Sheffield Music Hub, and collaborate on and deliver a wide range of projects and concerts. We also work closely with the other music hubs in South Yorkshire and with National Partner venues to present concerts for young people. As a result, more than 2,200 children and young people took part in workshops and in-school activity across the country, and over 8,200 people attended schools' and family concerts.

Music in the Round is now an Artsmark Partner, and we are looking to develop our Artsmark offer in partnership with IVE, our Bridge Organisation, and Create Sheffield during 2019/20. In autumn 2018 we became a resident partner of Barnsley Cultural Education Partnership, and took part in an Arts Award pilot programme as part of this.

Early Years practitioner training took place all year round through regular INSET sessions and as part of our Early Years/KS1 storybook concert project (*Giddy Goat*) that took place around the country. We now have a full menu of Early Years training that is being rolled out as part of our developing relationships with National Partner venues. We are involved in initiatives to better link the four South Yorkshire Music Hubs and are co-ordinating major projects with them.

New initiatives during the year included our first dementia-friendly concert at Cast in Doncaster as part of a weekend festival of music, which went well and we are looking to repeat this. A project working with refugees and asylum-seekers was launched in Barnsley, in collaboration with Barnsley Civic Theatre and the Refugee Council. This comprises monthly two-hour musical sessions in the Civic Theatre, led by Ensemble 360 and a music therapist.

We offered meaningful work experience opportunities to several young people interested in working in the arts and getting valuable hands-on experience by involving them in the 2018 Sheffield Chamber Music Festival and other concerts and events with and for young people. This engagement is often the first step to longer term opportunities of working with us.

Collaborations

Working in partnership is important to us, and we continue to be a significant part of Classical Sheffield, supporting and guiding it as trustees and encouraging collaborations between its member organisations. We are also represented on the boards of Create Sheffield (Sheffield's Local Cultural & Education Partnership), Sheffield Music Education Hub, Sheffield Network of Arts Practitioners and the Culture Consortium. Collaborations with Sheffield Music Education Hub, Sheffield Academy, Sheffield Theatres and The University of Sheffield continue, and discussions for events with the Sensoria Festival of Music, Film and Digital Media, Flying Donkey and Opus are underway for joint projects in Sheffield in 2019/20. Nationally, conversations took place with the Leeds International Piano Competition, Royal Philharmonic Society and Making Music, among others.

Financial Review

Total income in the year amounted to £579,941 (2017/18: £589,191). Our target of achieving an income ratio of 40% sales income / 35% public funding and grants / 25% individual giving as laid out in

our Business Plan was exceeded, with an income ratio of 41% / 34% / 25% showing slightly less reliance on public funding.

As in previous years, our underlying core expenditure is subject to tight budgetary control and was kept in line with the incoming resources, with a number of projects spending down restricted funds as planned. This includes the creation of online education resources (£9,858) and the temporary position of a manager for Ensemble 360 (£4,533) funded by private donations during the year. In particular, the remaining money was drawn down from the Kurzman Legacy (£13,044) in line with the agreed objectives with ACE, which are to support the engagement of a range of artists for specific chamber music concerts in Sheffield and around the country with audience development in mind. Administration costs show an increase, but this is due to the separation of staff travel costs from artistic activity and an increase in professional fees.

We also drew down £10,000 from the Andrew McEwan Fund and the Lindsay Foundation to support specific activities to encourage learning and participation in classical music by children and young people in school, nursery and family settings. These funds were established for such purposes and will continue to be used to help children from all backgrounds to be inspired to learn music. We continue to look for other sources of funds to supplement this crucial and extremely worthwhile strand of our charitable activities.

The overall net position of income over expenditure shows a very small decrease in our total funds of £615. There is an underlying reduction of restricted funds of £68,362, offset by an increase in income during the year of £59,040 for current and new projects, leaving a balance of £86,682 (2017/18: £96,004). Unrestricted and designated income saw an overall increase in general reserves of £8,707. At the year end our total unrestricted and designated funds stand at £352,284, and restricted funds at £86,682.

The Finance & Fundraising sub-committee met four times during 2018/19, monitoring financial health and reporting to the full board, which meets quarterly. The Risk Register is reviewed annually, with one in place for 2018/19 that will be reviewed for 2019/20 in autumn 2019.

Funding

We received a total of £198,053 (2017/18: £210,644) from Arts Council England and trusts and foundations, securing a further funding agreement for two years (2019-2021) with Mayfield Valley Arts Trust to support Learning & Participation activity in Sheffield.

Our Learning & Participation activities are mainly reliant on private giving and we are hugely grateful for the those that have and continue to support us. We continued to seek donations to our Future Festivals Fund, which is held as a designated fund as part of unrestricted reserves, and it grew from £99,698 to £112,858 in the year, exceeding the £100,000 target thanks to the ongoing generosity of donors. The aim is to keep the Fund at this level so we can underwrite and support our festivals in the longer term, since revenue from tickets cannot be guaranteed to cover the cost of presenting the range and amount of music that audiences appreciate.

We launched and delivered the first year of our second Bridge Scheme, a scheme for young string players of which this second instalment is specifically designed to provide an opportunity for minority

ethnic musicians as we seek to tackle their significant under-representation in classical music. We are delighted that Chi-chi Nwanoku OBE, founder of Chineke!, Europe's first majority BME orchestra, is the patron of the Bridge Scheme. Funding for this scheme to support activity in 2019/20 stands at £29,578.

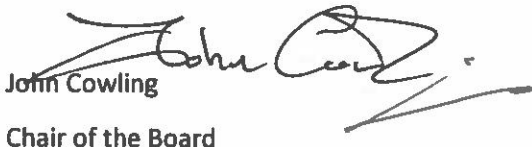
Our Friends' scheme comprises 279 people who either singly or jointly regularly donate a total of nearly £15,000 per annum. A review of the scheme has led to the delivery of a campaign during the 2019 Sheffield Chamber Music Festival, with the aim of both increasing the number of Friends and the amount each of them donates to Music in the Round through the creation of different membership levels.

Sheffield City Council currently provides free office space and utilities (approximate value around £30,000) as support in kind, for which we are very grateful. We are actively seeking to retain this support due to the possible redevelopment of the Graves / Central Library Building in which the office is based, and are in discussion with the Council and various other organisations in the city about alternative accommodation.

Staff Team

The staff team remained relatively stable during 2018/19. As previously reported, we said farewell to Deborah Chadbourn, Executive Director for 10 years, and welcome Jo Towler to the team in July 2018. I am delighted to report that Jo has settled in well and is already like a long-standing member of the team. Kate Thompson returned from maternity leave to take on a new position of Learning & Participation Producer. Internal structures were amended to reflect the vision of Music in the Round to better integrate concert and learning & participation activity, which led to the creation of two teams, 'Sheffield' and 'National' (including South Yorkshire), both of which contain a combination of programming and learning & participation expertise. This structure has already led to a much more coherent and joined-up planning of activity and logistics, and is part of a process that will continue during 2019, enabling us to define what we do as one coherent multifaceted offer that includes performance and participation.

A cost of living increase was implemented in April 2019.


John Cowling
Chair of the Board

Governing document

Music in the Round is a company limited by guarantee governed by its Memorandum and Articles of Association as amended on 11 February 2013. It is registered as a charity with the Charity Commission. Members each agree to contribute £1 in the event of the charity winding up.

Trustee Appointments and Resignations

The directors of the company are the trustees of the charity. The trustees are all members of the company. New directors of the company are appointed by the members. Trustees serve a three-year term of appointment and may be re-appointed up to a further two consecutive terms of three years, but must then resign. There must be no fewer than three trustees, but with no upper limit. Trustees are appointed to maintain an appropriate balance of knowledge, skill and diversity. We are currently recruiting new trustees, and have already welcomed solicitor Ellen Gallagher and music agent Chloe Wennersten to the Board in 2019. The recruitment process continues and an application pack is available on our website. Gill MacGregor stepped down at the AGM on 21 January 2019, having served her term of office. We are very grateful for her support in recent years, especially in regards to overseeing HR for the staff as well as providing useful advice as a Friend of MitR, and hope to continue to see her at many concerts in the future.

Induction and training of new trustees

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the current Business Plan and the financial affairs of the Charity. Prospective trustees meet the Chair, Artistic Director, Executive Director and staff, and are invited to attend a Board meeting as observers before joining.

Organisational structure and management

The Board of trustees administers the charity. The Board meets at least four times a year, with other meetings to discuss particular issues arranged as required. During 2018/19 there were three advisory sub-committees that met quarterly, covering Finance & Fundraising; Programming, Planning & Marketing; and Learning & Participation. The trustees were members of these sub-committees and worked with the management team. Co-opted members can be invited to the sub-committee meetings to provide specialist advice. Angus Smith, Artistic Director, is responsible for the company's artistic policy. In 2019/20 this has changed to only one advisory sub-committee, Finance & Fundraising, with the addition of Jan Bonar (former FD of Southbank Sinfonia) as a co-opted member. This is to reflect the changing nature of Music in the Round's work in combining on- and off-stage activity and to streamline conversations and planning between the management team and trustees.

The Board is aware of the new Charity Governance Code and plans a governance review that bears in mind the recommendations of the Code during 2019/20.

The Board appoints the Artistic Director and Executive Director, and delegates the role of appointing two full-time and six part-time staff to the Executive Director, who is responsible for the day-to-day management of the charity. The Executive Director reports to the Board on the financial and strategic position of Music in the Round, and the Artistic Director reports on the artistic position.

Organisational developments during the year

In 2018/19 we held four board meetings, including an annual extended board meeting in July to review the past 12 months and consider future plans. We also had regular sub-committee meetings during the year. Music in the Round continues to be engaged in an ongoing process of self-evaluation in which we examine our vision, practice, communication strategies, financial health, partnerships and governance.

As part of our ongoing planning we continue to review our board membership, sub-committee structure and trustee recruitment objectives. Current Board membership includes five female and three male trustees, ranging in age from 30s to 70s, with further recruitment of new members that represent the whole population of Sheffield planned. A review of office accommodation continues into 2019/20.

Our Business Plan is the mechanism by which we articulate our values, ambitions, objectives and targets for a given period, and is revised on an annual rolling basis to always be looking three years ahead. The current plan covers April 2019 – March 2022, and will be updated and revised at a Board Away Day during 2019 to plan ahead to 2022/23.

In addition to close monitoring of the artistic programme, taking into account clarity of vision and programme, financial sustainability, external factors, audience and participant feedback, Music in the Round also continues to make good progress on our Equality Action plan, making diversity a priority in our Business Plan and Learning & Participation plans. It is referred to regularly in artistic planning meetings between the Artistic and Executive directors and the Learning & Participation Manager, who programme with specific reference to Arts Council England's Creative Case for Diversity.

We have continued to work on our Environmental and Sustainability Action plan to reduce the environmental impact of our activities and minimise these where possible. We have significantly reduced the print runs for our larger brochures and our concert programmes are a single sheet of A4 paper. We continue to recycle office materials and collect data on touring by all the musicians we work with to track carbon emissions and focus on reductions.

Electronic communications are an important part of our marketing strategy as well as providing environmental savings. We continue to add to the audio and video content on our web site and on social media. In 2018/19 we added 24 new videos to our YouTube channel, which received over 30,000 views during the year. We have more than 5,000 followers on Twitter, and set up an Instagram account during the year that has already attracted several hundred followers.

Plans for Future Periods

In 2019/20, Music in the Round hosts the 35th Chamber Music Festival, featuring Ensemble 360 as well as soloists such as Stephen Hough and a folk music day led by Sam Sweeney. Autumn sees visits from Tasmin Little as part of her farewell tour and Benjamin Grosvenor, as well as a collaboration with the 2019 Sensoria Festival to open the season, featuring the music of Morton Feldman. Our celebration of Beethoven's 250th anniversary in 2020 launches in November 2019, which will feature performances of all his string quartets and many other chamber works, as well as events including local young and leisure-time musicians.

Negotiations with our Partner venues across the country during the year will lead to the creation of bespoke three-year plans with each Partner. The aim is to broaden the reach of classical music in each place through events linked to evening concerts, such as family and schools' concerts and composition projects as well as pre- and post-concert conversations.

As part of our aim to reduce reliance on public funding, a recruitment drive for Friends of Music in the Round, including a new membership level, was initiated at the Sheffield Chamber Music Festival in May 2019 and continues throughout the year.

New trustees will be recruited to the board so that it better reflects the population of Sheffield as well as ensuring that it has an appropriate skill-set for running the charity. A newly-created Artistic Sub-committee will look at ensuring that Music in the Round continues to evolve as an organisation through better integration of its year-round activity across the country.

Risk Management

The trustees and staff team of Music in the Round have worked together to identify the major risks to which the charity is exposed, reviewed the current systems and policies that mitigate the risks and implemented a number of changes to further reduce the risks. The trustees and the Finance & Fundraising Sub-committee regularly review the risk register and seek to constantly improve the management of the charity. Key risks highlighted in the register include loss of significant funding, loss of key members of staff and changes in personnel of Ensemble 360.

Public Benefit

When reviewing Music in the Round's objectives and activities and devising its future programme, the Board confirms that it has referred to the Charity Commission's general guidance on public benefit and complied with its duty under the Charities Act 2011.

The charity's aims and objectives are directed at the public at large: those who attend concerts around the UK; visitors to the website; and those who are part of our many learning & participation activities.

Our concerts in Sheffield and Barnsley are open to the public without restriction, and also include discounted tickets for under-35s and people attending a Music in the Round concert for the first time.

Reserves Policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity. Music in the Round needs reserves in the short term to cover possible cash flow problems caused by having to commit to expenditure in advance of income or the late payment of significant box office income or grants. Funds may also be required to reduce the impact of risks from the external environment, for example a cut in funding from a key funder such as Arts Council England.

The charity's aim is to maintain unrestricted funds as working capital to a level that represents approximately four months' core costs of future expenditure (£160,000-£200,000) to aid cash flow during the quieter months and finance its fundraising activities. The trustees have assessed the company's needs and determined that this minimum is desirable given the uncertainties that currently exist around public funding. This will be reviewed annually against changes to the company's circumstances and activity.

General reserves held by the charity at 31 March 2019 are £209,027. This comprises fixed assets of £35,051 and cash and net current asset reserves of £173,976. In addition, the charity has £143,257 of designated funds associated with the Lindsay Foundation and the Future Festival Fund, totalling £352,284 of unrestricted funds. The charity also has restricted funds of £86,682 relating to the Andrew McEwan Fund and specific Learning & Participation activity and projects.

Investment Powers and Policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish.

Fixed Assets

Movements in fixed assets are shown in notes 9 and 10 to the financial statements.

Directors' responsibilities

The directors, being the trustees of the charity, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors 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 state of the charitable company's incoming resources and application of resources, including its income and expenditure, during the period.

In preparing those statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure 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 breaches of law and regulations.

Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of this Annual Report each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to appoint an auditor for Music in the Round will be proposed at the Annual General Meeting following a tendering process.

The financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 2006 relating to small entities.

By order of the Board on 4 November 2019.



John Cowling
Trustee and Chair of the Board
Sheffield

Music in the Round
For the year ended 31 March 2019

Independent Auditor's Report to the Trustees of Music in the Round Limited

Opinion

We have audited the financial statements of Music in the Round Limited (the 'charitable company') for the year ended 31 March 2019, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related 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; and
- 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 related 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 12 months from the date when the financial statements are authorised for issue.

Music in the Round

For the year ended 31 March 2019

Independent Auditor's Report to the Trustees of Music in the Round Limited

Other information

The trustees are responsible for the 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. 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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 directors' remuneration specified by law are not made; or

Music in the Round

For the year ended 31 March 2019

Independent Auditor's Report to the Trustees of Music in the Round Limited

- 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 directors' report.

Responsibilities of trustees

As explained more fully in the directors' responsibilities statement set out on page 13, 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.

Music in the Round

For the year ended 31 March 2019

Independent Auditor's Report to the Trustees of Music in the Round Limited

- 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 charitable company'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 charitable company'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 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 charitable company 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.



Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Simon Bladen (Senior Statutory Auditor)

For and on behalf of Hawsons, Statutory Auditor

14 November 2019

Music in the Round
For the year ended 31 March 2019

Statement of Financial Activities (Including Income and Expenditure Account)

	Note	Unrestricted	Restricted	2019 Total	2018 Total
		£	£	£	£
Income					
Donations and legacies	2	284,156	59,040	343,196	360,958
Charitable activities	3	236,102	-	236,102	228,007
Investments	4	643	-	643	226
Total Income		<u>520,901</u>	<u>59,040</u>	<u>579,941</u>	<u>589,191</u>
Expenditure					
Charitable activities	5	507,550	68,362	575,912	575,090
Raising funds		4,644	-	4,644	-
Total Expenditure		<u>512,194</u>	<u>68,362</u>	<u>580,556</u>	<u>575,090</u>
Net income / (expenditure)		<u>8,707</u>	<u>(9,322)</u>	<u>(615)</u>	<u>14,101</u>
Reconciliation of funds:					
Total funds brought forward		343,577	96,004	439,581	425,480
Total funds carried forward		<u>352,284</u>	<u>86,682</u>	<u>438,966</u>	<u>439,581</u>

All income and expenditure derive from continuing operations.

The company has no recognised gains or losses other than those shown above.

Music in the Round
For the year ended 31 March 2019

Balance Sheet

	Note	2019 £	2018 £
Fixed Assets			
Tangible	10	<u>35,051</u>	<u>42,478</u>
Current Assets			
Stock		4,436	1,176
Debtors	11	95,987	101,130
Cash at bank and in hand		<u>398,251</u>	<u>405,534</u>
		498,674	507,840
Current Liabilities			
Creditors: amounts falling due within one year	12	<u>94,759</u>	<u>110,737</u>
Net Current Assets		<u>403,915</u>	<u>397,103</u>
Total Assets Less Current Liabilities		<u>438,966</u>	<u>439,581</u>
Net Assets		<u>438,966</u>	<u>439,581</u>
Total Funds			
Restricted funds	13	86,682	96,004
Unrestricted funds	13	<u>352,284</u>	<u>343,577</u>
		438,966	439,581

These accounts which have been prepared in accordance with the special provisions relating to small companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board on 4 November 2019.



John Cowling
Trustee and Chair of the Board

Music in the Round
For the year ended 31 March 2019

Cash Flow Statement

	Note	2019 £	2018 £
Cash flow from operating activities	16	(7,926)	11,113
Cash flow from investing activities			
Interest received		643	226
Net cash flow from investing activities		<u>643</u>	<u>226</u>
Net (decrease)/increase in cash and cash equivalents		(7,283)	11,339
Cash and cash equivalents at 1 April		<u>405,534</u>	<u>394,195</u>
Cash and cash equivalents at 31 March		<u>398,251</u>	<u>405,534</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		<u>398,251</u>	<u>405,534</u>

Music in the Round
For the year ended 31 March 2019

Notes to the Financial Statements

1. Summary of significant accounting policies

(a) General information and basis of preparation

Music in the Round is a registered Charity and a company limited by guarantee in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out in the Trustees' Annual Report.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Companies Act 2006 and UK Generally Accepted Accounting Practice. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the accounting policies.

The financial statements are prepared on a going concern basis under the historical cost basis.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Tangible fixed assets and depreciation

Tangible assets are depreciated by annual instalments over their estimated useful lives at the following rates:

Musical Instruments	-	10% straight line
Fixtures and fittings	-	25% reducing balance
Office equipment	-	25% reducing balance

(c) Income and deferred income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income received for restricted funds is subject to specific conditions imposed by the donor or has been raised by the company for particular purposes. Designated funds comprise unrestricted funds that have been set aside by trustees for particular purposes.

(d) Expenditure

Expenditure is accounted for in the accounting period in which it is incurred.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and overhead costs of the central function are borne by the unrestricted fund.

Music in the Round
For the year ended 31 March 2019

Notes to the Financial Statements (continued)

(e) Going concern

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

2. Income from donations and legacies

	2019	2018
	£	£
Individual donations	145,143	150,314
Grants (see note 16)	198,053	210,644
	<u>343,196</u>	<u>360,958</u>

£59,040 (2018: £52,162) of individual donations and grants received were attributable to restricted funds.

3. Income from charitable activities

	2019	2018
	£	£
Ticket sales and venue fees	223,903	218,016
Sponsorship and merchandising	4,966	4,960
Education Income	7,233	5,031
	<u>236,102</u>	<u>228,007</u>

4. Income from investments

	2019	2018
	£	£
Interest receivable	<u>643</u>	<u>226</u>

Music in the Round
For the year ended 31 March 2019

Notes to the Financial Statements (continued)

5. Expenditure on charitable activities

	2019	2018
	£	£
Artists, venue and instrument hire	280,374	302,441
Artistic direction	23,030	23,870
Marketing	49,854	44,534
Learning and participation activities	23,986	23,156
Staff	163,028	153,192
Administration	23,074	15,661
Operational costs	5,139	5,242
Depreciation	7,427	6,844
Amortisation	-	150
	<u>575,912</u>	<u>575,090</u>

£68,362 (2018: £61,986) of the above expenditure incurred on artists and education and community services was attributable to restricted funds.

6. Auditor's remuneration

The audit fee for the year is £6,000 (2018: £5,500 plus £1,750 additional accountancy work). Governance costs total £775.

7. Trustees' and key management personnel remuneration and expenses

The Trustees consider the Key Management Personnel to comprise the Trustees, the Artistic Director and the Executive Director.

The trustees neither received nor waived any remuneration during the current or previous year. One trustee had travel expenses reimbursed of £40 (2018: £148).

The total amount of employee benefits received by key management personnel, including amounts paid on a self employed basis, is £68,587 (2018: £66,956).

8. Staff costs and employee benefits

	2019	2018
	£	£
Total staff costs and employee benefits were as follows:		
Wages and salaries	152,200	142,260
Social Security	7,812	7,353
Pension	3,016	3,579
	<u>163,028</u>	<u>153,192</u>

The average monthly number of employees during the year was 9 (2018: 9).

Music in the Round
For the year ended 31 March 2019

Notes to the Financial Statements (continued)

9. Fixed Assets - Intangible

	Website £
Cost	
At 1 April 2018	13,300
Disposal	<u>13,300</u>
At 31 March 2019	<u>-</u>
Amortisation	
At 1 April 2018	13,300
Disposal	<u>13,300</u>
At 31 March 2019	<u>-</u>

10. Fixed Assets - Tangible

	Piano £	Fixtures and fittings £	Office Equipment £	Total £
Cost				
At 1 April 2018	<u>63,875</u>	<u>9,087</u>	<u>21,137</u>	<u>94,099</u>
At 31 March 2019	<u>63,875</u>	<u>9,087</u>	<u>21,137</u>	<u>94,099</u>
Depreciation				
At 1 April 2018	25,552	9,063	17,006	51,621
Charge for period	<u>6,388</u>	<u>6</u>	<u>1,033</u>	<u>7,427</u>
At 31 March 2019	<u>31,940</u>	<u>9,069</u>	<u>18,039</u>	<u>59,048</u>
Net book value				
At 31 March 2019	<u>31,935</u>	<u>18</u>	<u>3,098</u>	<u>35,051</u>
At 31 March 2018	<u>38,323</u>	<u>24</u>	<u>4,131</u>	<u>42,478</u>

Music in the Round
For the year ended 31 March 2019

Notes to the Financial Statements (continued)

11.	Debtors	2019	2018
		£	£
	Trade debtors	64,024	75,107
	Prepayments and accrued income	31,963	26,023
		<hr/>	<hr/>
		95,987	101,130
		<hr/>	<hr/>
12.	Creditors	2019	2018
	Amounts falling due within one year:	£	£
	Trade creditors	26,632	31,732
	Accruals	63,815	38,925
	Taxation and Social Security	2,396	16,252
	Deferred Income	750	23,080
	Other creditors	1,166	748
		<hr/>	<hr/>
		94,759	110,737
		<hr/>	<hr/>

Music in the Round
For the year ended 31 March 2019

Notes to the Financial Statements (continued)

13. Reserves

	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
Unrestricted				
General	207,423	470,632	(469,028)	209,027
Designated – Lindsay Foundation	25,246	9,653	(4,500)	30,399
Designated – Future Festivals Fund	99,698	40,616	(27,456)	112,858
Designated – Bridge	11,210	-	(11,210)	-
Total unrestricted funds	343,577	520,901	(512,194)	352,284
Restricted				
Kurzman Legacy	13,044	-	(13,044)	-
Andrew McEwan Fund	61,979	625	(5,500)	57,104
Bridge 2 Fund	20,981	11,615	(3,018)	29,578
Learning and Participation Fund	-	16,800	(16,800)	-
Mayfield Valley Arts Trust	-	30,000	(30,000)	-
Total restricted funds	96,004	59,040	(68,362)	86,682
Total funds	439,581	579,941	(580,556)	438,966

	Balance at 1 April 2017 £	Income (as restated) £	Expenditure (as restated) £	Balance at 31 March 2018 £
Unrestricted				
General	175,303	508,224	(476,104)	207,423
Designated – Lindsay Foundation	30,246	-	(5,000)	25,246
Designated – Future Festivals Fund	72,893	28,805	(2,000)	99,698
Designated – Bridge	11,210	-	-	11,210
Total unrestricted funds	289,652	537,029	(483,104)	343,577
Restricted				
Kurzman Legacy	59,858	-	(46,814)	13,044
Andrew McEwan Fund	73,479	-	(11,500)	61,979
Youth Music Grant	2,491	1,181	(3,672)	-
Bridge 2 Fund	-	20,981	-	20,981
Mayfield Valley Arts Trust	-	30,000	(30,000)	-
Total restricted funds	135,828	52,162	(91,986)	96,004
Total funds	425,480	589,191	(575,090)	439,581

Music in the Round
For the year ended 31 March 2019

Notes to the Financial Statements (continued)

Note 13 continued...

Designated funds

The Lindsay Foundation funds Learning & Participation activity.

The Future Festivals Fund underwrites and supports Music in the Round festivals in the longer-term to enable forward planning in the event of any significant fluctuation in funding or ticket revenue.

Bridge supports young emerging musicians at the start of their careers. As planned, this fund was spent down during the year.

Restricted funds

The Kurzman Legacy represents legacy money received from the Estate of Diana Kurzman left to Arts Council England for the benefit of orchestras and the performance of chamber music and opera, and awarded to Music in the Round in March 2013. As planned, this restricted fund was spent down during the year.

The Andrew McEwan Fund represents donations received from the Estate of Andrew McEwan and in his memory to provide disadvantaged children living in Sheffield the opportunity to be introduced to music and music education.

The Bridge 2 fund represents income received towards our development scheme that provides performance opportunities, training and business development for aspiring young musicians.

The Learning & Participation Fund represents income received to support work including projects in schools, with families and children, and audience development activity. Activity during the year included establishing a music group for refugees and asylum seekers in the Barnsley area.

Mayfield Valley Arts Trust represents income received from the Trust to support work with children and young people in Sheffield.

Prior period adjustment

Comparative figures in the reserves account have been restated for an adjustment relating to the disclosure of income and expenditure within the Mayfield Valley Arts Trust. Income and expenditure of £30,000, previously disclosed within general unrestricted funds, have now been disclosed within restricted funds. There were no changes to total funds as a result of this reclassification adjustment.

Music in the Round
For the year ended 31 March 2019

Notes to the Financial Statements (continued)

14. Analysis of net assets between funds

	Unrestricted		Restricted	2019
	General	Designated		Total
	£	£	£	£
Fixed assets	35,051	-	-	35,051
Cash at bank and in hand	168,312	143,257	86,682	398,251
Other current assets/liabilities	5,664	-	-	5,664
	<u>209,027</u>	<u>143,257</u>	<u>86,682</u>	<u>438,966</u>

	Unrestricted		Restricted	2018
	General	Designated		Total
	£	£	£	£
Fixed assets	42,478	-	-	42,478
Cash at bank and in hand	173,376	136,154	96,004	405,534
Other current assets/liabilities	(8,431)	-	-	(8,431)
	<u>207,423</u>	<u>136,154</u>	<u>96,004</u>	<u>439,581</u>

15. Related Party Transactions

The secretary, David Brown, is a trustee of the Mayfield Valley Arts Trust. This Trust made donations of £30,000 (2018: £30,000) to Music in the Round Limited during the year. David Brown did not receive any remuneration from either organisation during the year.

The Chair, John Cowling, is on the board of Sheffield Theatres Trust. The Trust runs the box office function on behalf of Music in the Round and provides performance spaces. John Cowling did not receive any remuneration during the year from either party.

Music in the Round
For the year ended 31 March 2019

Notes to the Financial Statements (continued)

16. Reconciliation of operating (deficit)/surplus to cash flows from operating activities

	2019	2018
	£	£
Net Income (expenditure) for the year	(615)	14,101
Additions to fixed assets	-	(2,790)
Depreciation and amortisation	7,427	6,994
Interest received	(643)	(226)
Decrease in debtors	5,143	14,484
(Decrease) in creditors	(15,978)	(22,607)
(Increase)/decrease in stock	(3,260)	1,157
Net cash flow from operating activities	(7,926)	11,113

17. Grant income	2019	2018
	£	£
Arts Council England	142,963	142,963
Fidelio Charitable Trust	3,000	-
Foyle Foundation	-	15,000
Garfield Weston Foundation	-	10,000
Garrick Foundation	-	4,000
Golsonscott Foundation	1,000	-
Harold Hyam Wingate Foundation	4,290	-
Liz and Terry Bramall Foundation	10,000	-
Mayfield Valley Arts Trust	30,000	30,000
R Walker Charitable Trust	1,000	-
Shaw Lands Trust	1,000	1,000
Sheffield Bluecoat & Mountpleasant Foundation	-	1,000
Sheffield Church Burgesses	1,500	1,500
Sheffield Grammar School Trust	-	1,500
Sheffield Town Trust	3,300	1,500
The J G Graves Charitable Trust	-	1,000
Youth Music Grant	-	1,181
Total Grants included in income	198,053	210,644