

SOUND CONNECTIONS
(A company limited by guarantee)

Annual Report and Unaudited Financial Statements
For the Year Ended 31 March 2021

Charity number 1095947
Company number 04561825 (England & Wales)

SOUND CONNECTIONS

Contents

For the Year Ended 31 March 2021

	Page
Legal and Administrative Information	2
Report of the Directors (Trustees)	3 to 10
Independent Examiners' Report	11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cashflows	14
Notes forming part of the Financial Statements	15 to 21

SOUND CONNECTIONS

Legal and Administrative Information

Year ended 31 March 2021

Charity Legal Name:	Sound Connections
Charity registration number:	1095947
Company registration number:	04561825 (England & Wales)
Trustees	<p>N York – Chair P Bell – resigned on 11 May 2021 J Leahy – resigned on 14 October 2020 E Bokuma Lenda C Manning – resigned on 1 June 2020 S Mattock M Mizzi N Rampley – resigned on 14 October 2020 S Bandopadhyay – resigned on 27 April 2020 G Knox N Senok – appointed on 17 July 2020 A Frame – appointed on 14 October 2020 S Caballero – appointed on 14 October 2020</p>
Company Secretary	P Flood
Senior Management Team	<p>P Flood - Director J Raven – Deputy Director J Loveless – Programme Manager L Coomb – Programme Manager</p>
Registered office & operational address:	<p>3rd Floor Rich Mix 35-47 Bethnal Green Road London E1 6LA</p>
Independent Examiners:	<p>Simpson Wreford LLP Chartered Accountants Wellesley House Duke of Wellington Avenue Royal Arsenal London SE18 6SS</p>

SOUND CONNECTIONS

Report of the Directors (Trustees)

Year ended 31 March 2021

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report and financial statements for the year ended 31 March 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Structure, Governance and Management

Governing document

Sound Connections is a charitable company limited by guarantee, incorporated on 14 October 2002. The Company 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. In the event of the Company being wound up each of the Members are required to contribute an amount not exceeding £1. Its operational address is currently at 3rd Floor, Rich Mix, 35-47 Bethnal Green Road, London, E1 6LA

The charity is managed by its trustees who constitute the board of directors and have been appointed in accordance with the charity's Articles of Association. The directors in office during the year ended 31 March 2021 were as follows:-

N York – Chair
P Bell – resigned on 11 May 2021
J Leahy – resigned on 14 October 2020
E Bokuma Lenda
C Manning – resigned on 1 June 2020
S Mattock
M Mizzi
N Rampley – resigned on 14 October 2020
S Bandopadhyay – resigned on 27 April 2020
G Knox
N Senok – appointed on 17 July 2020
A Frame – appointed on 14 October 2020
S Caballero – appointed on 14 October 2020

The day to day management is carried out by P Flood.
The registered office is disclosed on the information page.

Recruitment and Appointment of Trustees

The Directors of the Company are also Charity Trustees for the purposes of charity law.

Shoubhik Bandopadhyay, John Leahy and Nick Rampley stepped down and our thanks go to all of them for their valuable advice and support. We welcomed Shauni Caballero, Andrew Frame and Nanret Senok as new trustees.

SOUND CONNECTIONS

Report of the Directors (Trustees)

Year ended 31 March 2021

Staff

During the year we had several staff changes and developments. We welcomed Liz Coomb to the new role of Programme Manager for sector and consultancy, and Tee Peters to the new role of Wired4Music Assistant Producer.

We also continued to expand our Associate Consultant list to reflect an increase in demand and the need for specialist skills and experience.

Organisational Structure

Sound Connections currently has a board of nine Trustees who meet (at least) quarterly and are responsible for the strategic direction and policy of the charity. All Trustees have considerable experience and expertise related to the charity's business and needs.

Responsibility for the provision of services and the general running of the Charity rests with the Director along with Senior Managers. The Director is responsible for ensuring key performance indicators / targets are met and that funders are kept fully apprised of the results of their projects. The Managers are responsible for the day to day running of the various programmes and the supervision of staff and contracted workers employed to deliver those services.

Related Parties

Our Trustee Esther Bokuma Lenda was paid £2,691.88 in the year for providing youth voice training.

Objectives and activities

Mission, vision and strands of work

Sound Connections exists to facilitate change. We work across the music community to achieve inclusion, equity and social justice with young people.

Our vision is that all children and young people age 0-25 can access high quality music and progression routes.

Who we work with

In response to our research, ongoing projects, partnerships and identified need in London over the last 18 years, we focus our time, energies and resources on three areas. These are:

- Children and young people – through consultation and needs analysis, co-producing projects and activities
- The music education workforce – through training, professional development and networks
- The music education sector – through organisational development, strategy, research and advocacy

SOUND CONNECTIONS

Report of the Directors (Trustees)

Year ended 31 March 2021

Underpinning these three areas are a series of cross-cutting priorities, identified as aspects of music education in need of development in order to achieve meaningful inclusion. These are adjusted based upon changing needs but currently include:

Early years music-making; supporting young people who face significant barriers accessing music opportunities; youth voice and participation; impact measurement; needs analysis and 'cold spots'; progression; quality; diversity, equality and social justice.

Achievements and Performance – the year in brief

Our work with children and young people

Wired4Music is a thriving network engaging over 1,000 young people from all of London's 32 Boroughs with a core group of 41 young people. 64% of members identify their gender as female, 35% male and 1% as a third choice. 70% of members are from Black, Asian and Ethnically diverse backgrounds and 85% are from economically deprived backgrounds.

Within Wired4Music the following activities take place:

- Flagship events, minimum one per year
- Generate programme, two rounds per year
- Wired4Music freelancers, ongoing
- Monthly drop-ins
- Mini DNAs (Development needs analysis) and 1:1 mentoring, ongoing
- Governance, training and appointing two Wired4Music members to the board of Sound Connections
- Weekly opportunities postings on the Wired4Music website
- Opportunities, news and engagement with members through dedicated Wired4Music communication channels

Activity

This year we delivered:

Generate

We had 10 young people take part in Generate from 2020-2021, investing over £10,000 directly into young people's creativity and entrepreneurship. As part of the scheme we offer monthly mentoring to each Generator and we also piloted a suite of workshops focusing on the basics of creative entrepreneurship. Projects include music video, R&D on an autism-friendly music industry project, an EP championing women and gender-minority artists, producers and engineers, a one-day festival championing DIY artists.

Flagship Events x 1

In October 2020 we hosted our W4M 10th Anniversary Party - an evening of films, talks and performances celebrating the past 10 years of Wired4Music.

We worked with five W4M curators to put the event together, supported by our intern and W4M member Tee and hosted by W4M member and rising star Anna-Marie Descartes. We had over 10 performances from young creatives with over 30 people attending the event live, and over 140+ viewers post-event.

SOUND CONNECTIONS

Report of the Directors (Trustees)

Year ended 31 March 2021

We commissioned Tee, who's an artist and film-maker, to put together a film called 'Our Story' which to date has 100+ views detailing W4M's journey from the perspective of our young people. We also created an accompanying impact report looking back on the past decade of W4M with stories from current and previous members of W4M and the Sound Connections team, which has been read over 100 times.

Drop-ins, webinars and instalives

As the pandemic hit, and we all had to stay inside, we had to pivot in how we delivered drop-ins and as such over the course of 2020-21 we replaced them with webinars where we held focused sessions with a chance for members to network with professionals and other young creatives.

We hosted 5 webinars from August 2020 to March 2021; platforming 11 emerging and established music industry professionals with a range of expertise from A&R to branding to sustaining your creativity.

We had 239 young people along to these webinars (whereas with drop-ins we'd have had 100 attendees in a year), and now have a bank of resources that we are using on our social channels. We are continuing with the curation of the webinar series as it proved so popular.

In addition to our webinar series, we hosted 26 InstaLive sessions all led by and featuring W4M members and to date have a collective viewership of 2,500+.

W4M Freelancers

Over the previous year we have offered 150 paid opportunities to the W4M community. Opportunities range from curating playlists, commissioning articles, facilitating workshops, supporting us with webinars, speaking at webinars and performing/hosting our InstaLive sessions.

Governance – Usually our Wired4Music Trustees hold one-year terms, but as the pandemic landed on our shores our Chair and Senior Management Team thought it best to offer the current W4M Trustees an additional year, to help with stability for them and for the organisation. Esther Lenda Bokuma and Sasha Mattock were delighted and stayed on for a second term providing tremendous insight, wisdom and guidance to the team during troubling times, and we are thrilled they are continuing on as Trustees beyond their extended term. We are now beginning the process for two new W4M Trustees.

Mini-DNAs

Whilst the majority of our work is outward facing, our mini-DNAs and mentoring for young people is a substantial and deeply meaningful area of our work. Over the past year we have offered over 200 hours of mentoring sessions to young people, providing pastoral care and sign-posting to other support services such as housing, financial support and mental health support to creative careers guidance and being a sounding board for ideas, ambitions and aspirations.

Our work with the music education workforce

During 2020-21, Sound Connections' training and workforce development activities shifted dramatically to respond quickly, efficiently and sensitively to the challenges the COVID-19 pandemic posed to practitioners and organisations working with children and young people through music.

SOUND CONNECTIONS

Report of the Directors (Trustees)

Year ended 31 March 2021

Activity delivered

26 online workshops, webinars and training sessions to more than 1,000 delegates focussing on developing skills, knowledge and confidence with inclusive practice. These focused around the following themes: music and social justice; delivering music activities online; decolonising music education; early childhood music making; evaluating impact, fundraising, and developing your business; and youth voice and participation. These included free events for the London Early Years Music Network.

1 x annual conference (Inclusive Practice in Action) which was a two-day virtual sit in, attended by more than 250 people, focusing on intersectionality within the music education sector.

Provided one-to-one mentoring to 48 practitioners, supporting them with their personal and professional development.

Awarded 15 professional development bursaries to practitioners to enable them to fund their own learning and development during the Covid-19 pandemic.

Five Innovate projects awarded to Achieving for Children; Music Action International; Joe Steele; Beanstalk Arts and Play for Progress enabling individuals and grassroots organisations to test out new approaches to developing inclusive music projects.

Provided support and training for five Wired4Music members aged 18-24 to enable them to participate in co-producing and co-facilitating a variety of events, including a significant role and presence at the Inclusive Practice in Action virtual sit-in.

Early Years Apprentice programme with 6 Apprentices enrolled

Our work with the music education sector

Sound Connections continued to support and partner with a wide range of organisations who directly work with children and young people across London. Relationships with the 30 Music Education Hubs continued to improve with staff sitting on a number of strategic advisory groups, presenting at events and developing bespoke projects for a number of hubs.

Our work with our strategic partners continued as well as our support of small emerging grassroots organisations who were part of our Innovate partnership programme.

Youth Music continues to be a major supporter of our work. As well as funding through to 2022 we are also part of the Alliance for a Musically Inclusive England, a partnership of 14 organisations across England committed to inclusive practice. Our relationship with Arts Council England is thriving and we developed new relationships with a number of other funders to support our work across the sector.

Sound Connections continues to be a member of Music Mark, the subject association for Music, and the Music Education Council, the national body representing music education in the UK. This enables the organisation to contribute to the national debate on music in the UK and advocate for the support of young people who are in the most challenging circumstances.

SOUND CONNECTIONS

Report of the Directors (Trustees)

Year ended 31 March 2021

Our consultancy work

The Sound Connections consultancy service saw continued growth in 2020-21: we exceeded our income target and delivered 41 consultancy projects for 32 organisations. Our work continues to grow outside of London, with over 50% taking place outside of the capital in the past year, supporting our development as an organisation with a national and international reach.

Delivering consultancy continues to expand the reach and depth of our work, and enables us to impact positively on the music, arts and heritage sectors through bespoke training, organisational development, strategic advice, research and evaluation.

Financial Review

The attached financial statements show the current state of the charity's finances for the year ended 31 March 2021.

Incoming resources for the year totaled £536,370 of which £205,303 were for restricted purposes. Outgoing resources for the year totaled £489,398 of which £179,469 were attributable to restricted funds. Overall the accounts show a surplus for the year of £46,972. Unrestricted funds at the year-end totaled £130,228 of which £23,000 is designated. Restricted reserves as at 31 March 2021 totaled £57,621.

Reserves policy

The trustees have considered the charitable company's need for reserves with reference to the major risks it faces. It has established a policy where unrestricted funds not invested in fixed assets should be at least enough to cover three months' core running expenses.

Forecast expenditure for 2021/22 on core costs is £334,713 and therefore the target reserves are £83,678 in general funds. As we have surpassed this target we are looking at increasing our reserves policy to cover six months' core running costs over the next few years. A designated fund was established in 2007 to provide for redundancy payments. This has been increased to £23,000 in the year.

Principal funding sources

In the year ended 31 March 2021, the National Foundation for Youth Music funded around 30% of the overall charitable activities.

Agrigento, Arts Council England, Children in Need, Rachel Baker Memorial Charity, Radcliffe Trust, Samuel Gardner Memorial Trust, Sisters of the Holy Cross and The D'Oyly Carte Charitable Trust funded 20% of the overall income for projects designed to extend our provision for 'hard to reach' young people and training the workforce. Course fees, training, consultancy work, commissioned work and other income accounted for the remaining 50%.

Plans for future periods

We delivered the third year of our strategy, from April 2018 – March 2022. Our priorities continue to be to:

- Address issues of diversity and inclusion through positive action
- Reinvigorate our commitment to the non-formal music education sector

SOUND CONNECTIONS

Report of the Directors (Trustees)

Year ended 31 March 2021

- Holistically support progression opportunities for children and young people age 0 – 25
- Prioritise innovation
- Support music leaders through needs driven training and personalised learning
- Increase our national footprint and profile

We continue to refine and focus our three key strands of work as well as grow our consultancy services.

Risk management

The trustees have assessed the major risks to which the charitable company is exposed and are satisfied that systems are in place to mitigate exposure to major risks. The principal external risk continues to be the loss of funding that supports 'core' or fixed costs including senior staff and work continues to aim to reduce this risk by diversifying the company's funding and income base. Internal risks are managed by the established procedures for the authorisation of all transactions as well as a detailed system of financial and budgetary control, all of which are reviewed annually by the Senior Management Team and Trustees.

Directors (Trustees) Responsibilities

The Trustees, as set out on page 3 (who are also the directors of Sound Connections for the purposes of company law) are responsible for preparing the Directors' (Trustees) Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those 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 judgments 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 on that basis.

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

SOUND CONNECTIONS

Report of the Directors (Trustees)

Year ended 31 March 2021

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.

Limited liability

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of such guarantees at 31 March 2021 was nine.

Public Benefit Statement

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

Sound Connections charitable purpose is to provide increased access to music and musical education to young people in London, particularly those from disadvantaged backgrounds and provide them with opportunities to participate in a range of musical activities.

Independent examiners

Simpson Wreford LLP., continued as our Independent examiners during the year.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Signed on behalf of the board of directors (trustees) on 02/8/2021



N York
Director (Trustee)

SOUND CONNECTIONS

Independent Examiners' Report

To the Trustees of Sound Connections For the Year Ended 31 March 2021

I report to the charity trustees of the company for the year ended 31 March 2021, which are set out on pages 13 to 22.

Responsibilities and basis of report

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

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

Independent examiner's report

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

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

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

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



Kate Taylor FCA

For and behalf of Simpson Wreford LLP, Chartered Accountants

Institute of Chartered Accounts in England and Wales

Wellesley House
Duke of Wellington Avenue
London, SE18 6SS

Dated: 6 AUGUST 2021

SOUND CONNECTIONS

Statement of Financial Activities (including Income and Expenditure Account)

Year ended 31 March 2021

	Notes	Unrestricted Funds	Restricted Funds	Total funds 2021	Total funds 2020
		£	£	£	£
INCOME	4				
Donations and legacies		10,164	-	10,164	38,106
Charitable activities		320,903	205,303	526,206	342,190
TOTAL INCOME		331,067	205,303	536,370	380,296
EXPENDITURE ON:	6				
Raising funds		4,875	-	4,875	3,750
Charitable activities		305,054	179,469	484,523	317,359
TOTAL EXPENDITURE		309,929	179,469	489,398	321,109
NET INCOME/(EXPENDITURE)		21,138	25,834	46,972	59,187
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		21,138	25,834	46,972	59,187
RECONCILIATION OF FUNDS					
Total funds brought forward		109,090	31,787	140,877	81,690
Total funds carried forward		130,228	57,621	187,849	140,877

The results for the year derive from continuing activities, and there are no other gains or losses other than those shown above.

The notes on pages 15 to 22 form part of these financial statements.

SOUND CONNECTIONS

Balance Sheet as at 31 March 2021

	Notes	2021	2020
Fixed Assets			
Tangible assets	8	2,892	472
Current Assets			
Debtors	9	64,151	61,971
Cash at bank and in hand		<u>162,669</u>	<u>193,351</u>
		<u>226,820</u>	<u>255,322</u>
Creditors			
Amounts falling due within one year	10	<u>(41,863)</u>	<u>(114,917)</u>
Net current assets		<u>184,957</u>	<u>140,405</u>
Total net assets		<u>187,849</u>	<u>140,877</u>
The Funds of the Charity	11		
Unrestricted Funds		130,228	109,090
Restricted Funds		<u>57,621</u>	<u>31,787</u>
		<u>187,849</u>	<u>140,877</u>


For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The trustees have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regimes

The financial statements on pages 12 to 22 were approved by the Trustees on 21/8/2021 and signed on their behalf by:


N York
Director (Trustee)

Company Number – 04561825 (England & Wales)

SOUND CONNECTIONS

Statement of Cashflows

For the year ended 31 March 2021

	Notes	2021 £	2020 £
Cash used in operating activities			
Net cash provided by/(used in) operating activities	17	<u>(26,652)</u>	<u>133,818</u>
Cash flows from investing activities			
Interest income		-	-
Purchase of tangible fixed assets		(4,030)	-
Cash provided by/ (used) in investing activities		<u>(4,030)</u>	<u>-</u>
(Decrease)/Increase in cash and cash equivalents in the year		(30,682)	133,818
Cash and cash equivalents at the beginning of the year		193,351	59,533
Total cash and cash equivalents at the end of the year		<u>162,669</u>	<u>193,351</u>

SOUND CONNECTIONS

Notes to the financial statements – 31 March 2021

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

Company information

Sound Connections is a company limited by guarantee incorporated in England and Wales and registered as a charity with the Charity Commission. The registered office is 3rd Floor, Rich Mix, 35-47 Bethnal Green Road, London, E1 6LA

(a) Basis of accounting

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 (FRS102)– (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in the financial statements are rounded to the nearest £.

The effects of events relating to the year ended 31 March 2021 which occurred before the date of approval of the financial statements by the Trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 March 2021 and the results for the year ended on that date.

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

(b) Going Concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

(c) Fund accounting

- Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charity. Unrestricted funds include donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal. Expenditure, which meets these criteria, is charged to the fund.

(d) Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

SOUND CONNECTIONS

Notes to the financial statements – 31 March 2021

1. Accounting Policies continued

- Grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. 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 grant. Grant income is only deferred where the donor has clearly specified that it relates to a future period.
- Incoming resources from charitable consulting activities are accounted for when earned. Consultancy income is deferred where it relates to services to be carried out in the future.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(f) Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on the basis of an estimate of the proportion of project size.

(g) Fixed assets

Fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

It is the policy of the company to provide depreciation at the following annual rates in order to write off each asset over its estimated useful economic life. The following rates of depreciation have been applied throughout the year.

Computer equipment - 33 1/3% on cost

Assets with a cost of £500 or more are capitalized.

(h) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

SOUND CONNECTIONS

Notes to the financial statements – 31 March 2021

1. Accounting Policies continued

(i) 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.

(j) 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.

(k) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

(l) Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

(m) Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2. Related Party Transactions

N York donated £3,000 and E Bokuma was paid £2671.88 for youth voice training. No other trustee (or persons connected with them) received any remuneration or benefits from the charity during the year.

3. Remuneration

Remuneration of key management personnel	2021	2020
	£	£
Aggregate total	<u>97,767</u>	<u>110,469</u>

SOUND CONNECTIONS

Notes to the financial statements – 31 March 2021

4 Income	<i>Unrestricted</i>	<i>Restricted</i>	<i>2021 Total</i>	<i>2020 Total</i>
	£	£	£	£
4.1 Income from donations and legacies				
<i>Donations</i>	4,164	-	4,164	190
<i>Gift aid</i>	-	-	-	36
<i>Grant income</i>				
Harriet's Trust	-	-	-	15,000
A New Direction	-	-	-	3,380
Samuel Gardner Memorial Trust	1,000	-	1,000	1,500
The D'Oyly Carte Charitable Trust	5,000	-	5,000	3,000
Sisters of the Holy Cross Charitable Trust	-	10,000	10,000	15,000
4.2 Income from charitable activities				
<i>Performance related grants</i>				
Youth Music - Fund C	-	159,980	159,980	159,980
Agrigento	-	14,010	14,010	-
Aldgate & Allhallows Foundation	-	-	-	10,000
Arts Council England - Emergency Funding	25,000	-	25,000	-
City Bridge Trust	-	-	-	18,000
Children in Need	-	21,313	21,313	-
The Radcliffe Trust	5,000	-	5,000	-
Scops Arts Trust	-	-	-	23,000
Rachel Baker Memorial Trust	25,000	-	25,000	25,000
<i>Consultancy and training income</i>	260,873	-	260,873	99,918
<i>Charitable rental income</i>	4,800	-	4,800	3,391
<i>Other</i>	230	-	230	2,900
	331,067	205,303	536,370	380,295

5 Income by activity

	<i>Agrigento</i>	<i>City Bridge Trust</i>	<i>Fund C</i>	<i>Children in Need</i>	<i>Core</i>	<i>2021 Total</i>	<i>2020 Total</i>
	£	£	£	£	£	£	£
Donations	-	-	-	-	4,164	4,164	226
Grant income	14,010	-	169,980	21,313	61,000	266,303	273,860
Consultancy fees	-	-	-	-	260,873	260,873	99,918
Charitable rental income	-	-	-	-	4,800	4,800	3,391
Other income	-	-	-	-	230	230	2,900
	14,010	-	169,980	21,313	331,067	536,370	380,295

SOUND CONNECTIONS

Notes to the financial statements – 31 March 2021

6 Expenditure

	2021 Total	2020 Total	<i>Basis of support cost allocation</i>
6.1 Charitable activities			
Staff costs	203,735	171,211	
Depreciation and impairment	1,610	236	
Delivery of training and commissioned projects	56,878	46,763	
Other project costs	136,745	27,136	
Support costs			
Office costs	62,143	45,739	<i>Direct</i>
Premises costs	19,285	23,696	<i>Direct</i>
Governance costs	2,627	838	<i>Governance</i>
Accountancy	1,500	1,740	<i>Governance</i>
	<u>484,523</u>	<u>317,359</u>	
6.2			
Raising funds			
Freelance fees	<u>4,875</u>	<u>3,750</u>	
Total expenditure	<u>489,398</u>	<u>321,109</u>	

7. Staff Costs

Staff numbers

Staff costs for the year were as follows:	2021	2020
	£	£
Salaries and wages	186,946	156,961
Social Security costs	12,947	11,174
Staff pension costs	3,842	3,076
	<u>203,735</u>	<u>171,211</u>

The average number of staff employed during the year, was as follows:

	2021	2020
Direct projects	7	5
Administration	<u>1</u>	<u>1</u>
	<u>8</u>	<u>6</u>

There were no employees whose annual income exceeded £60,000.

SOUND CONNECTIONS

Notes to the financial statements – 31 March 2021

8. Tangible Fixed Assets

	Computer Equipment
Cost	
At 1 April 2020	5,216
Additions	4,030
At 31 March 2021	<u>9,246</u>
Depreciation	
At 1 April 2020	4,744
Charge for year	1,610
At 31 March 2021	<u>6,354</u>
Net Book Value	
At 31 March 2021	<u>2,892</u>
At 31 March 2020	<u>472</u>

9. Debtors

	2021	2020
	£	£
Trade debtors	43,098	28,258
Accrued income	16,056	30,998
Prepayments	4,035	467
Other debtors	962	2,248
	<u>64,151</u>	<u>61,971</u>

10. Creditors: Amounts Falling Due within One Year

	2021	2020
	£	£
Trade Creditors	18,401	2,511
Accruals	3,358	5,613
Deferred income	5,000	94,641
Social security and other tax	15,104	12,151
	<u>41,863</u>	<u>114,917</u>

SOUND CONNECTIONS

Notes to the financial statements – 31 March 2021

11. Movement in Funds

	<i>As at 1</i>				<i>As at 31</i>
<i>Restricted funds</i>	<i>April 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>March 2021</i>
Youth Music - Fund C	8,787	159,980	(150,954)	-	17,813
Agrigento	-	14,010	(5,390)	-	8,620
Sisters of the Holy Cross Charitable Trust	-	10,000	(10,000)	-	-
Scops	23,000	-	(4,600)	-	18,400
Children in Need	-	21,313	(8,525)	-	12,788
	<u>31,787</u>	<u>205,303</u>	<u>(179,469)</u>	<u>-</u>	<u>57,621</u>
<i>Unrestricted funds</i>					
Core	<u>94,090</u>	<u>331,067</u>	<u>(309,929)</u>	<u>(8,000)</u>	<u>107,228</u>
<i>Designated funds</i>					
Redundancy	15,000	-	-	8,000	23,000
Rachel Baker Memorial Trust	-	-	-	-	-
	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>23,000</u>
<i>Total funds</i>	<u>140,877</u>	<u>536,370</u>	<u>(489,398)</u>	<u>-</u>	<u>187,849</u>

12. Material funds during the year

Youth Music

Youth Music funds the 'Fund C' programme with the aim of developing musical inclusion across London. This project supports children and young people, particularly those facing barriers to access, the music education workforce, and strategic work with music and cultural organisations across London. Through Fund C Sound Connections is also a founder member of the Alliance for a Musically Inclusive England.

Aldgate and Allhallows Foundation

The Aldgate and Allhallows Foundation provided a grant towards the cost of the Wired4Music project with a specific focus on young people in the London Borough of Tower Hamlets.

Scops

The Scops Arts Trust provides funding for a 3-year training and professional development programme for music educators and facilitators in South East London. This project is delivered in partnership with the South Riverside Music Partnership.

SOUND CONNECTIONS

Notes to the financial statements – 31 March 2021

13. Share Capital

Under the Company's Articles of Association, every member of the Company undertakes to contribute to the assets of the company in the event of the same being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required not exceeding £1.

14. Taxation

The company is considered to pass the tests set out in Paragraph 1 schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

15. Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension costs and charge shown in Note 7 represents the contributions payable by the company to the fund. The amount overpaid to the pension fund as at the 31 March 2021 is £60 (2020 - £nil).

16. VAT

The charity registered for VAT in December 2019 when the charity's VAT taxable turnover reached the threshold.

17. Reconciliation of net movement in funds to net cash flow from operating activities.

	2021 £	2020 £
Net movements in funds	46,971	59,186
Add back: Depreciation	1,610	236
(Increase)/decrease in debtors	(2,180)	(12,451)
(Decrease)/ increase in creditors	(73,054)	86,847
	<u>(26,652)</u>	<u>133,818</u>