

Company number: 06581022

Charity Number: 1124609

The Organisation for New Music and Sound

(trading as Sound and Music)

Report and financial statements

For the year ended 31 March 2021

The Organisation for New Music and Sound

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Reference and administrative information

For the year ended 31 March 2021

Company number 06581022 – incorporated in the United Kingdom

Charity number 1124609 – registered in England and Wales

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

Registered office and operational address Oxford House
Derbyshire Street
London
E2 6HG

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

Gregory Davies (Chair)
Juan Pablo Barrios Loaiza (appointed 14th December 2020)
Catherine Bunting
Edward Corn
Belinda Dee
David Lasserson
Imogen Lawlor (appointed 14th December 2020)
Dennis Lee
Sam Palmer
Jean-Baptiste Thiebaut
Joanne Thomas
Shirley Thompson

Key management personnel Susanna Eastburn – Chief Executive
Hannah Bujic – Co-Head of Artist Development
Will Dutta – Co-Head of Artistic Development
Roger Horton – Finance Manager (left 30th June 2021)
Nuria Rivero – Finance Manager (started 21st June 2021)
Victoria Johnson – Head of Digital and Audience Engagement
Sophie Morrison – Head of Development
Judith Robinson – Head of Education

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Reference and administrative information

For the year ended 31 March 2021

Investment Managers	Seven Investment Management Limited 125 Old Broad Street London EC2N 1AR
	Cazenove Investment Management Limited 1 London Wall Place London EC2Y 5AU
Bankers	CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Solicitors	Bircham Dyson Bell 50 Broadway London SW1H 0BL
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108–114 Golden Lane London EC1Y 0TL

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Trustees' annual report

For the year ended 31 March 2021

The trustees present their report and the audited financial statements for the year ended 31 March 2021.

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

Objectives and activities

Purposes and aims

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

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

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

The organisation has three aims:

- Artist development;
- Public engagement;
- Supporting children and young people to create their own music.

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

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

Public benefit

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

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

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

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

Achievements and performance

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

2020–21 was the third year of Sound and Music's business plan agreed by the Trustees in January 2018 and also included by the Arts Council in its National Portfolio Organisation funding agreement for 2018–22 (now extended to March 2023 because of Covid–19). As for so many, it was a year of unprecedented challenge and unforeseeable change due to the Covid–19 pandemic, the restrictions imposed and the many consequences to the organisation's beneficiaries and work. However, Sound and Music responded exceptionally well to the situation, evidenced by an extraordinary increase in engagement as well as strong testimonies from many of those who engaged with us.

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The organisation worked almost entirely remotely for the entire year, and gave considerable thought as to how to manage this effectively, ensuring the wellbeing of its staff, streamlining communications and putting the escalating needs of beneficiaries at the heart of decision making.

In addition, Sound and Music secured a significant new funding partnership with the Boltini Trust, to create a new digital platform (Music Patron) that will connect donors with composers, offering the latter a direct source of income. This project is highly significant both for Sound and Music and for the sector, where it is hoped that it can also engender a cultural shift in how the work of composers is valued by society. Funding from the Boltini Trust will underwrite the project for its first few years' development, including bringing in additional staff, and during the year Sonia Stevenson was appointed to be Head of Music Patron.

Objectives and key performance indicators (KPIs) were collated and reviewed quarterly in order to measure and evaluate progress, and reported quarterly also to Trustees at Board meetings.

Some key highlights and learnings from the year follow, structured by the three core aims of the business plan.

Artist development

In total 73 composers (working across a wide range of genres, and from across the UK) were supported during the year (compared to 37 in 2019–20) – reflecting the increased activity in response to the pandemic. Composers were supported through a mix of programmes including New Voices (and its associated Seed Awards), the Composer–Curator programme, Adopt A Music Creator and the Covid–19 Composer Awards. These last were developed as a rapid response programme to support composers in their professional practice during the pandemic.

Sound and Music staff worked carefully with composers already on artist development programmes prior to the pandemic to reframe their work to be delivered digitally or within social distancing restrictions (avoiding postponement wherever possible). This means that the organisation will be able to continue to recruit new composers to its programmes in 2021–22 and beyond at a time when such opportunities will be sorely needed.

Selected applicant data demonstrates Sound and Music's progress in selecting composers from Black, Asian and ethnically diverse backgrounds (25%), who identify as women (52%) or a minority gender (12%). There continues to be an upward trend in selecting composers who are D/deaf, disabled or neurodivergent (16%) but this is still falling short of the target of 19%. Total applicant data tells a slightly different story – that the organisation is not yet quite reaching the same levels of representation across all measures. The organisation is committed to do more work with paid advertising and developing a pipeline of sector organisations to reach D/deaf, disabled or neurodivergent composers and women, in particular.

Following the launch of the Fair Access Principles in February 2020, over 20 organisations are now signatories and the impact of these Principles continues to grow externally. In February 2021,

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Sound and Music convened an online gathering of current and potential signatories in order to share good practice and reflect on progress together.

Audience Engagement

Sound and Music works with both digital and live audiences, valuing and seeking insight into both of these equally. This approach (plus the investment and attention the organisation has given to its online platforms and digital communications over the past few years) meant that the organisation was well placed to respond to the Covid-19 lockdown quickly and effectively.

All of Sound and Music's online platforms have performed strongly during the year in terms of reach and engagement with particular successes including the launch of the new primary platform in the autumn (which reached over 90k people in the quarter of its launch); the continued success of and engagement with Minute of Listening following the decision to make it free to home educators and then primary schools (which not only grew rapidly from around 2k to 6k users at the beginning of the pandemic, but saw this level of engagement sustained throughout the whole year); the success of the British Music Collection (which saw an average of 20k users per quarter over the year, compared with around 15k in 2019-20); and a strong performance on the Sampler (which increased from an average of around 3k users per quarter in 2019-20 to 4k per quarter in 2020-21). For both of the latter, the team worked hard to curate and foreground digital content and events, including a range of paid opportunities for composers to create new digital work, curate artistic content on these sites, and create editorial content.

Sound and Music's live touring programme, Composer-Curator, was extended by six months allowing for additional time for composers to reframe their projects digitally, as well as for the programme itself to be altered in preparation for 2021-22 when, for the first time, it will be delivered in partnership with organisations and artists in Hull and Sunderland.

Supporting children and young people to create their own music

This was a challenging and exceptional year for this area, as the organisation not only delivered the Summer School digitally for the first time (and at very short notice) but also many other additional activities. Despite the lack of in person activity, the Summer School students achieved great results and gave incredibly positive feedback. Because of the digital format, few students attended than in a normal year (49) and also tended to be from better supported backgrounds. However, this was offset by the introduction of a new series of free online masterclasses, created with and for young people, delivered by a diverse range of professional composers and creative musicians. These reached 50 young people from much more diverse backgrounds and the plan is to continue them in future years.

Listen Imagine Compose, Sound and Music's Continuing Professional Development programme supporting secondary school teachers in teaching composing, was delivered online and attracted many more teachers than in previous years when it has been delivered in person (492 teachers,

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compared to 81 in 2019–20) – valuable learning about the barriers that many teachers face to attending CPD in person, which will be borne in mind for future years' activity.

Financial review: Overview

Sound and Music's total income for the year was £900,677 (2019–20: £872,142), of which £717,625 (2019–20: £704,659) was represented by the core grant from Arts Council England. Income from projects and fundraising was £175,278 (2019–20: £161,847). Income from other core grants and donations was £7,625 (2019–20: £4,195), and investment income and other activities totalled £149 (2019–20: £1,441).

The organisation expended £871,571 (2019–20: £952,105).

General funds

Following transfers between funds and movements in investments, the net increase in unrestricted general funds was £1,075.

Designation of funds

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

At 31st March 2020, the Project Completion Reserve held £247,300 in respect of projects which were originally budgeted for 2019–20 but in respect of which the expenditure was completed in 2021. The amount held at 31 March 2021 (£321,950) are funds designated for the completion of a number of projects that were committed to and started in the 2020–21 financial year but with delivery also taking place in 2021–22.

Balance on general funds

Retained general funds carried forward at 31 March 2021 amount to £322,246 compared with £321,171 at 31 March 2020.

Restricted funds

At 31 March 2021 there were unexpended restricted funds relating to projects of £90,010 (2020: £52,948).

Arthur A Paul Memorial Fund – Linked Charity

The Arthur A Paul Memorial Fund represents a linked charity currently administered and managed under a declaration of trust by the Trustees of Sound and Music. Trustees of the AA Paul Memorial Fund are the same as Trustees of Sound and Music. The fund may be applied to advance the

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knowledge and appreciation of new music by promoting the presentation of original work by emerging composers, musicians and artists. According to the conditions of the Trust Deed governing the transferral of the Fund to Sound and Music, Trustees must seek in the long term to preserve the value of the capital of the Fund having regard to inflation.

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

The beginning of the financial year 2020–21 saw the market at a very low level due to the Covid19 pandemic which had just affected markets worldwide, which meant that at that point the AA Paul Fund was at an unprecedentedly low level (£963,587) (and Trustees had exceptionally agreed not to make any transfer in the final quarter of 2019–20). However, market recovery during the year restored the fund's capital value and the fund recovered well. All of this means that there was an exceptional increase in value of the AA Paul Fund across the whole year of £244,961.

In accordance with the Investment Policy and the agreed formula within it for quarterly calculation of funds to be transferred, The Arthur A Paul Trustees agreed to transfer £45,800 over the year to the charitable activities of Sound and Music to support activities promoting the presentation of original work by emerging composers, musicians and artists, in accordance with the terms of the Trust Deed.

Investment Policy Statement

AA Paul Trustees have an approved Investment Policy Statement. This brings together all of the considerations that are relevant to the management of the AA Paul Memorial Fund portfolio in one place. Any investment managers appointed to manage the assets of the Fund must follow the requirements of the Investment Policy Statement. During the year, a tender process was undertaken to review investment managers following an update to the Investment Policy Statement (to incorporate the requirement for responsible investment). This resulted in a switch of investment managers from 7IM to Cazenove.

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

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

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

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

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

Principal risks and uncertainties

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

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

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

The major risks to which the charity is exposed, as identified by the Trustees, are reviewed at least quarterly and systems have been established to mitigate those risks as far as possible. Principal risks in 2020–21 were around the impact of the Covid-19 pandemic on income generation, operations and wellbeing; income generation more broadly (which remains an extremely challenging environment for all arts organisations, and will be even more so in the future in the aftermath of the coronavirus pandemic) and staff capacity due to the additional demands and new activities responding to the pandemic. Risks around income generation are mitigated as far as possible by the development and monitoring of a development strategy that includes clear and timed income targets; an ongoing programme of research into new income potential; engaging the wider team and the Board in supporting income generation; exploring new income sources

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including around earned income; balancing (and monitoring closely) expenditure commitments against funding secured or likely; ensuring that the programme is scalable wherever possible; developing strong and distinctive cases for support. The staff capacity risk is hoped to reduce in 2021–22.

Reserves policy

Sound and Music's reserves policy is that the organisation shall seek to maintain general fund reserves equal to six months operating expenditure. As at 31 March 2021, therefore, the target amount of general fund reserves is £343,000 which would enable Sound and Music to meet its operating costs and contractual commitments for six months in the event of having to wind up the charity. The current level of general fund reserves held (at 31 March 2021) is £322,246, which is below the target level.

Financial impact of Covid-19; going concern

The nature of Sound and Music's business model is that the majority of its income comes from grant funding. The organisation does not run a venue, and is not heavily dependent on earned income from live attendances. Therefore, the financial impact of the pandemic and the resulting lockdown on Sound and Music was, in the immediate aftermath of lockdown, limited. In the medium to long term, the organisation has identified significant risks around grant based funders who are likely to face severe pressure on funds available, through a combination of high demand as the arts sector attempts to recover from the impact of the pandemic, and the potential impact on investments of the economic situation.

Sound and Music was also successful in securing £88k of Cultural Recovery Funding via Arts Council England in the second round. This means that the organisation could go into 2021–22 with some confidence about being able to commit to key activities to support composers and young people, including the Summer School, masterclasses, at least two further rounds of Covid-19 Composer Awards and continuing Minute of Listening free to parents and schools, with additional resources created. In addition, CRF funding will support some of the one off costs associated with moving offices to smaller more flexible accommodation in May 2021 – a move that will greatly reduce the organisation's overheads.

With the Arts Council's NPO funding period extended to March 2023 (subject to an application process in September 2021) together with reasonable cash reserves, Trustees foresee no material uncertainties about the charity's ability to continue as a going concern for the twelve months from the signing of these accounts.

The Board will continue to review and sign off updated income and expenditure forecasts at least quarterly, with significant decisions being brought to them between meetings as necessary.

Plans for the future

Although 2020–21 has been such a challenge in so many ways, it has also been a year when Sound and Music's clear vision, values and purpose have enabled the organisation not only to respond well and swiftly to the needs of its beneficiaries, but to step up to the plate in terms of its national role and remit. This is also valuable work in preparation for a new business plan from 2023, and the next NPO application to the Arts Council.

Sound and Music's Trustees are already using the Arts Council's published 'investment principles' to examine how the organisation works and where it might improve. In 2021–22, some shifts will also be piloted, including a more strategic approach to regional partnership working across all three Aims; an approach to planning and evaluation that more consistently draws on the voices of the organisation's communities; plus the continued development of Music Patron. The organisation will also build on the huge wealth of learning achieved during a crisis that not only forced the organisation to think on its feet, but to learn so much about online engagement and the barriers that can be removed or created when working digitally.

In 2021–22, Sound and Music – like other organisations – is anticipating ongoing uncertainty around social distancing and restrictions, as the possibility of future waves of the pandemic remains real. This possibility is built into all of the organisation's programmes for this year and the team will support all those they are working with to adapt if necessary. The great success in commissioning and curating online content will be continued for the foreseeable future, particularly as themed calls (such as responding to the climate emergency, or a call for LGBTQI+ artists to create work) have seen a strong response in applications and in audience engagement.

Schools are facing particular challenges, which in turn rebound onto children and young people, so campaigning work around composing in music education will continue, in particular through the creation of an alliance for composing in music education. The Summer School is anticipated to take place in person, with Covid-19 measures in place, and in 2021 will include a new tutor group for electronic music.

Structure, Governance and Management

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

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

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

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The Board met four times in the period, together with an Awayday that was convened digitally over four successive 2-hour sessions. Meetings of the Sound and Music Board are normally attended by the Chief Executive, Executive Administrator and other members of the senior management team as required.

Appointment of trustees

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

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

Trustee induction and training

New Trustees receive a Welcome Pack which includes:

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

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

In 2020–21, Sound and Music appointed two new Trustees, Imogen Lawlor and Pablo Barrios, who are both under 25 and previous beneficiaries of the organisation, as part of a growing youth voice strategy.

Related parties and relationships with other organisations

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

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

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

Finance Sub-Committee

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

The Finance Sub-Committee's financial purpose is to: support the effective financial management of Sound and Music; advise and shape Sound and Music's approach to financial planning and monitoring; ensure high standards are achieved in this area of Sound and Music's work; seek to maximise Sound and Music's income and control expenditure and maximise the use of Sound and Music's financial assets; ensure a stable and realistic approach to managing Sound and Music's finances to allow the organisation to undertake its charitable objects in the short, medium and long term.

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

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

Fundraising practice

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

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

Remuneration policy

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

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

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

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

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

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

If an individual is recruited who has the potential but not yet the experience or skill to fill the requirements of the post, then a lower salary than the advertised range may be offered with an agreed package of training and professional development, together with a review point. Salaries are reviewed annually in line with budget setting and signed off as part of the budget approval process. Pay increases outside this cycle are not offered.

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

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

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

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

Policy for employment of disabled persons

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

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

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

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

Statement of responsibilities of the trustees

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

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In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 11 (2020: 11). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

The trustees' annual report has been approved by the Trustees on 14 September 2021 and signed on their behalf by

Greg Davies
Chair

Independent auditor's report

To the members of

The Organisation for New Music and Sound

Opinion

We have audited the financial statements of The Organisation for New Music and Sound (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Organisation for New Music and Sound's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial

Independent auditor's report

To the members of

The Organisation for New Music and Sound

statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Judith Miller (Senior statutory auditor)

22 September 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Organisation for New Music and Sound

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

For the year ended 31 March 2021

	Note	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Arthur A Paul Memorial Fund £	2021 Total £	2020 Total £
Income from:							
Donations	3	725,250	–	–	–	725,250	708,854
Charitable activities	4						
Artist development		1,655	–	77,133	–	78,788	28,037
Education		34,706	–	51,522	–	86,228	121,006
Digital and Audience engagement		262	–	10,000	–	10,262	12,804
Investments		149	–	–	–	149	1,441
Total income		762,022	–	138,655	–	900,677	872,142
Expenditure on:							
Raising funds		106,553	–	–		106,553	73,252
Charitable activities							
Artist development		191,093	72,801	30,071	–	293,965	378,514
Education		124,871	51,547	61,522	–	237,940	257,704
Digital and Audience engagement		198,885	24,228	10,000	–	233,113	230,646
Organisational development		–	–	–	–	–	11,989
Total expenditure	5a	621,402	148,576	101,593	–	871,571	952,105
Net (expenditure) before net gains on investments		140,620	(148,576)	37,062	–	29,106	(79,963)
Net (losses)/gains on investments		37,881	–	–	244,961	282,842	(94,600)
Net (expenditure)/income for the year	7	178,501	(148,576)	37,062	244,961	311,948	(174,563)
Transfers between funds		(177,426)	223,226	–	(45,800)	–	–
Net movement in funds		1,075	74,650	37,062	199,161	311,948	(174,563)
Reconciliation of funds:							
Total funds brought forward		321,171	247,300	52,948	963,587	1,585,006	1,759,569
Total funds carried forward	17	322,246	321,950	90,010	1,162,748	1,896,954	1,585,006

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

The Organisation for New Music and Sound

Balance sheet

Company no. 06581022

As at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	12		4,224		5,512
Investments	13		1,601,697		1,364,655
			<u>1,605,921</u>		<u>1,370,167</u>
Current assets:					
Debtors	14	30,399		15,575	
Cash at bank and in hand		310,808		253,350	
			<u>341,207</u>	<u>268,925</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(50,174)		(54,086)	
				<u></u>	
Net current assets			<u>291,033</u>		<u>214,839</u>
Total net assets	16a		<u>1,896,954</u>		<u>1,585,006</u>
The funds of the charity:	17a				
Restricted income funds			90,010		52,948
Unrestricted income funds:					
Designated funds		321,950		247,300	
General funds		322,246		321,171	
			<u>644,196</u>	<u>568,471</u>	
Total funds – Sound and Music			<u>734,206</u>		<u>621,419</u>
Linked charity unrestricted funds:					
Arthur A Paul Memorial Fund			1,162,748		963,587
Total funds			<u>1,896,954</u>		<u>1,585,006</u>

Approved by the trustees on 14 September 2021 and signed on their behalf by

Greg Davies
Chair

The Organisation for New Music and Sound

Statement of cash flows

For the year ended 31 March 2021

	Note	2021 £	£	2020 £	£
Net income for the reporting period (as per the statement of financial activities)		311,948		(174,563)	
Depreciation charges		2,238		1,308	
Losses/(Gains) on investments		(282,842)		94,600	
Dividends, interest and rent from investments		(149)		(1,441)	
Decrease / (Increase) in debtors		(14,824)		(9,912)	
Increase / (decrease) in creditors		(3,912)		(25,840)	
Net cash provided by / (used in) operating activities		12,459		(115,848)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		149		1,441	
Purchase of fixed assets		(950)		(5,200)	
Proceeds from sale of investments		45,800		38,700	
Net cash (used in) investing activities		44,999		34,941	
Change in cash and cash equivalents in the year		57,458		(80,907)	
Cash and cash equivalents at the beginning of the year		253,350		334,257	
Cash and cash equivalents at the end of the year		310,808		253,350	

1 Accounting policies

a) Statutory information

The Organisation for New Music and Sound is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address is Oxford House, Derbyshire Street, Bethnal Green, London, EC2 6HG

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

c) Public benefit entity

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

d) Going concern

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

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

e) Income

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

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

f) Investment income and interest receivable

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

g) Fund accounting

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

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

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

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

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

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

i) Allocation of support costs

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

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

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

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

● Cost of raising funds	16%
● Artist development	31%
● Education	22%
● Digital and Audience engagement	31%

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

j) Operating leases

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

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

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

● Office furniture	5 years
● Equipment and computers	3 years

1 Accounting policies (continued)

l) Heritage assets

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

m) Listed investments

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

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors and provisions

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

q) Financial instruments

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

r) Pensions

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

2 Detailed comparatives for the statement of financial activities

	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Arthur A Paul Memorial Fund £	2020 Total £
Income from:					
Donations and legacies	708,854	–	–	–	708,854
Charitable activities:					
Artist development	681	1,736	25,620	–	28,037
Education	–	43,051	77,955	–	121,006
Digital & Audience engagement	2,490	314	10,000	–	12,804
Investments	1,441	–	–	–	1,441
Total income	713,466	45,101	113,575	–	872,142
Expenditure on:					
Raising funds	73,252	–	–	–	73,252
Charitable activities					
Artist development	273,371	7,104	98,039	–	378,514
Education	100,960	25,277	131,467	–	257,704
Digital and Audience engagement	193,878	17,256	19,512	–	230,646
Organisational development	–	–	11,989	–	11,989
Total expenditure	641,461	49,637	261,007	–	952,105
Net income / (expenditure) before gains on investments	72,005	(4,536)	(147,432)	–	(79,963)
Net gains on investments	(4,879)	–	–	(89,721)	(94,600)
Net (expenditure)/income for the year	67,126	(4,536)	(147,432)	(89,721)	(174,563)
Transfers between funds	(93,231)	51,540	80,391	(38,700)	–
Net movement in funds	(26,105)	47,004	(67,041)	(128,421)	(174,563)
Total funds brought forward	347,276	200,296	119,989	1,092,008	1,759,569
Total funds carried forward	321,171	247,300	52,948	963,587	1,585,006

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2021

3 Income from donations

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Donations	7,625	–	7,625	4,195	–	4,195
Grants:						
Arts Council England	717,625	–	717,625	704,659	–	704,659
	<u>725,250</u>	<u>–</u>	<u>725,250</u>	<u>708,854</u>	<u>–</u>	<u>708,854</u>

4 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Artist development:						
Birmingham Contemporary Music	–	–	–	–	–	–
Bliss Trust	–	–	–	–	500	500
Boltini Trust	–	25,000	25,000	–	–	–
Cockayne Foundation	–	–	–	–	10,000	10,000
Garfield Western Foundation	–	10,000	10,000	–	–	–
Garrick Charitable Trust	–	–	–	–	–	–
Leverhulme Trust	–	–	–	–	–	–
PRSF Grant	–	10,000	10,000	–	10,000	10,000
RVW Trust	–	–	–	–	5,000	5,000
Tony Bolton	–	20,000	20,000	–	–	–
Others	–	12,133	12,133	1,736	120	1,856
Project income	1,655	–	1,655	681	–	681
Sub-total for Artist development	<u>1,655</u>	<u>77,133</u>	<u>78,788</u>	<u>2,417</u>	<u>25,620</u>	<u>28,037</u>
Education:						
Bliss Trust	–	500	500	–	500	500
Boris Karloff Foundation	–	1,000	1,000	–	–	–
Doyle Cart Foundation	–	3,000	3,000	–	–	–
Finzi Trust	–	500	500	–	–	–
Foyle Foundation	–	–	–	–	20,000	20,000
Hedley Foundation	–	–	–	–	2,500	2,500
Lucille Graham Trust	–	–	–	–	2,000	2,000
Marchus Trust	–	5,000	5,000	–	–	–
Margaret Engering legacy	–	7,000	7,000	–	–	–
Michael Tippett Foundation	–	–	–	–	2,000	2,000
Radcliffe Trust	–	5,000	5,000	–	–	–
Samuel Gardner Memorial Fund	–	1,500	1,500	–	–	–
Three Monkeys Trust	–	5,000	5,000	–	–	–
Youth Music	–	12,785	12,785	–	38,352	38,352
D'Oyly Carte	–	3,000	3,000	–	–	–
Others	–	7,237	7,237	–	12,603	12,603
Project income	34,706	–	34,706	43,051	–	43,051
Sub-total for Education	<u>34,706</u>	<u>51,522</u>	<u>86,228</u>	<u>43,051</u>	<u>77,955</u>	<u>121,006</u>
Digital and Audience engagement:						
PRS Foundation	–	10,000	10,000	–	10,000	10,000
Project income	262	–	262	2,804	–	2,804
Sub-total for Digital and Audience engagement	<u>262</u>	<u>10,000</u>	<u>10,262</u>	<u>2,804</u>	<u>10,000</u>	<u>12,804</u>
Total income from charitable activities	<u>36,623</u>	<u>138,655</u>	<u>175,278</u>	<u>48,272</u>	<u>113,575</u>	<u>161,847</u>

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2021

5a Analysis of expenditure (current year)

	Charitable activities				Organisational development	Governance costs	Support costs	2021 Total	2020 Total
	Cost of raising funds	Artist development	Education	Digital and Audience engagement					
	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	52,854	104,195	71,808	100,626	–	19,917	112,401	461,801	446,254
Direct costs	5,579	94,907	88,484	40,873	–	–	25,144	254,987	343,711
Grants (note 6)	–	–	12,271	–	–	–	–	12,271	12,271
Premises	–	–	–	–	–	–	57,643	57,643	61,205
Finance, legal and professional	–	–	–	–	–	7,351	1,340	8,691	10,716
Communications	–	–	–	–	–	–	4,847	4,847	8,086
Staff recruitment, travel, training and subsistence	–	–	–	–	–	–	7,021	7,021	19,867
Depreciation of fixed assets	–	–	–	–	–	–	2,238	2,238	1,308
General office and administration	–	–	–	–	–	–	17,092	17,092	9,495
Computer maintenance and IT	–	–	–	–	–	–	22,416	22,416	13,709
Unrecoverable VAT	–	–	–	–	–	–	22,565	22,565	25,483
	58,433	199,102	172,563	141,499	–	27,268	272,706	871,571	952,105
Support costs	43,746	86,240	59,434	83,286	–	–	(272,706)	–	–
Governance costs	4,374	8,623	5,943	8,328	–	(27,268)	–	–	–
Total expenditure 2021	106,553	293,965	237,940	233,113	–	–	–	871,571	
Total expenditure 2020	73,252	378,514	257,704	230,646	11,989	–	–		952,105

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2021

5b Analysis of expenditure (prior year)

	Charitable activities						Support costs £	2020 Total £
	Cost of raising funds £	Artist development £	Education £	Digital and Audience engagement £	Organisational development £	Governance costs £		
Staff costs (Note 8)	43,103	153,383	55,616	111,345	–	13,075	69,732	446,254
Direct costs	–	117,847	150,916	41,420	11,989	–	21,539	343,711
Grants (note 6)	–	–	12,271	–	–	–	–	12,271
Premises	–	–	–	–	–	–	61,205	61,205
Finance, legal and professional Communications	–	–	–	–	–	6,600	4,116	10,716
Staff recruitment, travel, training and subsistence	–	–	–	–	–	–	8,086	8,086
Depreciation of fixed assets	–	–	–	–	–	1,174	18,693	19,867
General office and administration	–	–	–	–	–	–	1,308	1,308
Computer maintenance and IT	–	–	–	–	–	–	9,495	9,495
Unrecoverable VAT	–	–	–	–	–	–	13,709	13,709
	–	–	–	–	–	–	25,483	25,483
	43,103	271,230	218,803	152,765	11,989	20,849	233,366	952,105
Support costs	27,676	98,485	35,711	71,494	–	–	(233,366)	–
Governance costs	2,473	8,799	3,190	6,387	–	(20,849)	–	–
Total expenditure 2020	73,252	378,514	257,704	230,646	11,989	–	–	952,105

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2021

6 Grant making

	2021 £	2020 £
Cost		
Community Music	4,313	4,313
Drake Music	3,785	3,785
Birmingham University	1,812	1,812
University of Huddersfield	2,361	2,361
At the end of the year	<u>12,271</u>	<u>12,271</u>

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	2,238	1,308
Operating lease rentals:		
Property	47,136	48,901
Auditor's remuneration (excluding VAT):		
Audit – current year	7,500	7,500
Other services – under/(over) accrual in previous year	(150)	600
Other services – VAT advice	–	445

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	412,276	398,865
Social security costs	33,629	32,534
Employer's contribution to defined contribution pension schemes	15,896	14,855
	<u>461,801</u>	<u>446,254</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 +	–	–

The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel were £257,242 (2020: £258,292).

No claims for trustee expenses were made in the year (2020: £nil).

9 Staff numbers

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

	2021 No.	2020 No.
Charitable activities	14.0	14.0
Raising funds	1.4	1.4
Governance of the charity	1.0	1.0
	16.4	16.4

10 Related party transactions

No payments were made to related parties in 2021 (2020: £nil).

There are no donations (2020: none) from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

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

12 Tangible fixed assets

	Office furniture	Equipment & computers £	Total £
Cost			
At the start of the year	5,443	22,459	27,902
Additions in year	–	950	950
Disposals in year	–	–	–
At the end of the year	5,443	23,409	28,852
Depreciation			
At the start of the year	4,169	18,221	22,390
Charge for the year	346	1,892	2,238
Eliminated on disposal	–	–	–
At the end of the year	4,515	20,113	24,628
Net book value			
At the end of the year	928	3,296	4,224
At the start of the year	1,274	4,238	5,512

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 March 2021

12 Tangible fixed assets (continued)

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

13 Listed investments

	2021 £	2020 £
Fair value at the start of the year	1,364,655	1,497,955
Additions at cost	–	–
Disposal proceeds	(45,800)	(38,700)
Net (losses) gains on revaluation	282,842	(94,600)
Fair value at the end of the year	1,601,697	1,364,655
Cash held by investment managers for re-investment	–	–
Fair value at the end of the year	1,601,697	1,364,655
Listed investments are represented by:		
UK mutual funds	846,677	1,364,655
Cash held for investment managers for reinvestment	755,020	–
Fair value at the end of the year	1,601,697	1,364,655

14 Debtors

	2021 £	2020 £
Trade debtors	–	1,966
Other debtors	1,623	–
Prepayments	1,234	1,283
VAT	1,417	–
Accrued income	26,125	12,326
	30,399	15,575

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	20,446	23,640
Deferred Income	–	3,000
Taxation and social security	–	9,959
VAT	–	302
Accruals	29,728	17,185
	50,174	54,086

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2021

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

	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Arthur A Paul Memorial Fund £	Total funds £
Tangible fixed assets	4,224	–	–	–	4,224
Investments	298,949	140,000	–	1,162,748	1,601,697
Net current assets	19,073	181,950	90,010	–	291,033
Net assets at the end of the year	322,246	321,950	90,010	1,162,748	1,896,954

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

	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Arthur A Paul Memorial Fund £	Total funds £
Tangible fixed assets	5,512	–	–	–	5,512
Investments	301,068	100,000	–	963,587	1,364,655
Net current assets	14,591	147,300	52,948	–	214,839
Net assets at the end of the year	321,171	247,300	52,948	963,587	1,585,006

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2021

17a Movements in funds (current year)

	At the start of the year £	Incoming resources £	Outgoing resources £	Investment (losses)/ gains £	Transfers £	At the end of the year £
Linked charity						
Arthur A Paul Memorial Fund	963,587	-		244,961	(45,800)	1,162,748 0.0
Restricted funds:						
<u>Artist development:</u>						
ISCM	500	-	(500)	-	-	-
Francis Chagrin Covid19 Composer awards		12,013	(7,013)	-	-	5,000
New Voices	-	20,120	(120)	-	-	20,000
Music Patron	-	45,000	(22,438)	-	-	22,562
Other funds	-	-		-	-	-
	500	77,133	(30,071)	-	-	47,562
<u>Education</u>						
Go Compose	10,000	12,785	(22,785)	-	-	-
Summer School	35,000	38,737	(38,737)	-	-	35,000
Fran Hanley fund	2,448	-	-	-	-	2,448
Other funds						
	47,448	51,522	(61,522)	-	-	37,448
<u>Digital and Audience Engagement :</u>						
Composer/ Curator	5,000	10,000	(10,000)	-	-	5,000 -
	5,000	10,000	(10,000)	-	-	5,000
Organisational development	-	-	-	-	-	-
Total restricted funds	52,948	138,655	(101,593)	-	-	90,010
Unrestricted funds:						
General fund	321,171	762,022	(621,402)	37,881	(177,426)	322,246
Designated funds:						
Project Completion Reserve						
<u>Artist Development:</u>						
Adopt a Composer	-	-	-	-	-	-
Associates	-	-	-	-	7,000	7,000
Francis Chagrin Covid19 Composer awards	-	-	(8,887)	-	13,887	5,000
ISCM	-	-	-	-	3,000	3,000
Networks	-	-	-	-	20,000	20,000
New Voices	114,000	-	(63,914)	-	61,564	111,650
Pathways	8,300	-	-	-	-	8,300
Portfolio	-	-	-	-	-	-
<u>Education</u>						
Go compose	-	-	-	-	10,000	10,000
Listen, Imagine, Compose	-	-	(14,981)	-	14,981	
Minute of Listening	20,000	-	(9,337)	-	14,337	25,000
Summer School	50,000	-	(27,229)	-	42,229	65,000
<u>Digital and Audience Engagement:</u>						
British Music Collection	20,000	-	(9,520)	-	14,520	25,000
Composer/Curator	20,000	-	(9,156)	-	19,156	30,000
Podcast	15,000	-	(5,552)	-	2,552	12,000
Total designated funds	247,300	-	(148,576)	-	223,226	321,950
Total unrestricted funds	568,471	762,022	(769,978)	37,881	45,800	644,196
Total funds	1,585,006	900,677	(871,571)	282,842	-	1,896,954

The Organisation for New Music and Sound

Notes to the financial statements

For the year ended 31 March 2021

17b Movements in funds (prior year)

	At the start of the year £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers £	At the end of the year £
Linked charity						
Arthur A Paul Memorial Fund	1,092,008	–	–	(89,721)	(38,700)	963,587
Restricted funds:						
<u>Artist Development:</u>						
ISCM	–	500	(3,507)	–	3,507	500
New Voices	–	25,120	(94,532)	–	69,412	–
Other funds	–	–	–	–	–	–
	–	25,620	(98,039)	–	72,919	500
<u>Education:</u>						
Go Compose	8,000	38,352	(44,312)	–	7,960	10,000
Summer School	85,000	36,305	(86,305)	–	–	35,000
Fran Hanly fund	–	3,298	(850)	–	–	2,448
Other funds	–	–	–	–	–	–
	93,000	77,955	(131,467)	–	7,960	47,448
<u>Digital and Audience Engagement :</u>						
Composer Curator	15,000	10,000	(19,512)	–	(488)	5,000
	11,989	–	(11,989)	–	–	–
Total restricted funds	119,989	113,575	(261,007)	–	80,391	52,948
Unrestricted funds:						
General fund	347,276	713,466	(641,461)	(4,879)	(93,231)	321,171
Designated funds:						
Project Completion Reserve						
<u>Artist development:</u>						
Adopt a Composer	400	1,736	–	–	(2,136)	–
ISCM	2,000	–	–	–	(2,000)	–
New Voices	149,219	–	–	–	(35,219)	114,000
Pathways	–	–	(7,104)	–	15,404	8,300
Portfolio	1,500	–	–	–	(1,500)	–
<u>Education</u>						
Go compose	4,325	–	–	–	(4,325)	–
Listen, Imagine, Compose	232	8,141	(10,907)	–	2,534	–
Minute of Listening	7,000	8,040	(14,370)	–	19,330	20,000
Summer School	10,000	26,870	–	–	13,130	50,000
<u>Digital and Audience Engagement :</u>						
British Music Collection	–	–	(11,062)	–	31,062	20,000
Composer/Curator	15,620	314	–	–	4,066	20,000
Podcast	10,000	–	(6,194)	–	11,194	15,000
Total designated funds	200,296	45,101	(49,637)	–	51,540	247,300
Total unrestricted funds	547,572	758,567	(691,098)	(4,879)	(41,691)	568,471
Total funds	1,759,569	872,142	(952,105)	(94,600)	–	1,585,006

17 Movements in funds (continued)

Purposes of funds

Linked charity

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

Restricted funds

New Voices

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

Portfolio

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

Summer School

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

Go Compose

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

British Music Collection

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

Minute of Listening

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

Composer/Curator

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

Designated funds

Project Completion Reserve. It is in the nature of the charity's activities that projects are budgeted in one particular year, but may only complete in the following year, with expenditure partly falling into the following year. The Project Completion Reserve has been established to ensure that funds are available to meet such expenditure. The amount held at 31 March 2020 (£247,300) has been designated for the completion of several projects committed to and started in the 2019-20 financial year or earlier but with delivery also taking place in 2020-21.

18 Operating lease commitments

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

	Property 2021 £	2020 £
Less than one year	4,646	49,384
One to five years	–	8,231
	4,646	57,615

The organisation moved to new offices on 04/05/2021 under a tenancy agreement of 12 months with rent payable monthly. The operating lease commitment disclosed above relates to former office's rent.

19 Legal status of the charity

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