

SHEFFIELD MUSIC ACADEMY

England & Wales · Charity number 1143420

Details

Status	Registered
Legal form	Charitable company
Company number	07667445
Registered	2011-08-17
Register	View on the Charity Commission register

Contact

Address	Office 9 Shirley House 31 Psalter Lane Sheffield South Yorkshire
Phone	01142582804
Email	matt@sheffieldmusicacademy.co.uk
Website	www.sheffieldmusicacademy.org

Activities

Objects: THE OBJECTS OF THE CHARITY ('THE OBJECTS') ARE TO ADVANCE THE EDUCATION OF YOUNG PEOPLE OF EXCEPTIONAL MUSICAL ABILITY OR POTENTIAL WHO ARE AGED BETWEEN 4 AND 18 YEARS, IN ALL ASPECTS OF MUSIC AND MUSICIANSHIP.

Activities: Sheffield Music Academy exists to inspire excellence and provide a comprehensive, stimulating programme of learning to musicians aged 4-19 with outstanding ability, dedication and potential across South Yorkshire and beyond. A thriving and vibrant music school; students have the opportunity to develop their talent and grow in self-confidence through over 40 public performances a year.

Classification

- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Services
- **What:** Education/training, Arts/culture/heritage/science, Recreation
- **Who:** Children/young People

Geography

- Barnsley
- Derbyshire
- Doncaster
- East Riding Of Yorkshire
- Nottinghamshire
- Rotherham
- Sheffield City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£479,151	£469,096	-	-
2024-07-31	£519,069	£510,011	£175,185	28
2023-07-31	£466,723	£773,396	£166,127	41
2022-07-31	£495,103	£558,875	-	-
2021-07-31	£445,204	£453,546	-	-

Trustees

Name	Role	Appointed
Ian Richard Falconer	Chair	2014-02-15
Angela Brumpton		2020-10-05
Dr Ning Ma		2024-12-16
EMILY PIETERS		2018-04-03
Mary Gayford		2024-12-16
Sara Unwin		2022-01-17

SHEFFIELD MUSIC ACADEMY

England & Wales - Charity number 1143420

Accounts

COMPANY REGISTRATION NUMBER: 07667445
CHARITY REGISTRATION NUMBER: 1143420

Sheffield Music Academy
Company Limited by Guarantee
Unaudited Financial Statements
31 July 2025

ALLEN, WEST AND FOSTER LIMITED
Chartered accountants
Omega Court
364-366 Cemetery Road
Sheffield
S11 8FT

Sheffield Music Academy
Company Limited by Guarantee
Financial Statements
Year ended 31 July 2025

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Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 July 2025

Sheffield Music Academy (the Academy) is a charitable company limited by guarantee. The Directors are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 July 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and the charities Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland; FRS 102) issued in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Date of incorporation	13 June 2011
Company registration no.	07667445
Date of registration	17 August 2011
Charity registration no.	1143420
Patrons	Ms E Watts Mr R Wigglesworth
Honorary President	Ms Trisha Cooper
Trustees during period	Ms A Brumpton <i>re-appointed 22 February 2024</i> Mr I Falconer (Treasurer) <i>re-appointed 18 January 2023</i> <i>(and Interim Chair from 01 August 2024)</i> Mrs M Gayford <i>appointed 16 December 2024</i> Mr N Ma <i>appointed 16 December 2024</i> Ms R Mallaband <i>re-appointed 22 February 2024, retired 31 July 2025</i> Ms E Pieters <i>re-appointed 16 December 2024</i> Ms S Unwin <i>appointed 31 January 2022</i>
Music Director	Mr M Cropper
General Manager & Company Secretary	Mr M Wigley
Registered office	Office 9, Shirley House 31 Psalter Lane Sheffield, S11 8YL
Accountants	Allen, West & Foster Limited Omega Court, 364-366 Cemetery Road Sheffield, S11 8FT

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 July 2025

Bankers

Virgin Money
66 Fargate
Sheffield
S1 2HE

Charities Aid Foundation
25 Kings Hill Avenue
Kings Hill, West Malling
Kent ME19 4TA

The Co-operative Bank
Swindon
SN4 4PL

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2025

OUR AIMS AND OBJECTIVES

Purpose and objectives

Sheffield Music Academy (the Academy) exists to inspire young musicians to fulfil their potential and pursue a career in music should they choose to. Our charity's purpose, as set out in the objects contained in the company's Articles of Association (Articles), is to advance the education of young people of exceptional musical ability or potential who are aged between four and 19 years in all aspects of music and musicianship.

We are part of a network run under the auspices of the Department for Education's (DfE's) Music and Dance Scheme (MDS), which includes Centres for Advanced Training (CATs) in music and dance, Specialist Residential Schools and Conservatoire Junior Departments.

Our aim is to raise aspirations for young people passionate about any form of music in which they show above average aptitude and commitment, not necessarily for a career in music and the performing arts but in order that they may make the most of their skills and talents, develop their self-confidence and in their turn contribute to the musical activities of their schools and colleges, areas and communities. Our aim fully reflects the purposes that the charity was set up to further.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review covers the year ending 31 July 2025 and looks at what we achieved and the outcomes of our work during that period. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help.

The review also helps us ensure our aims, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

To ensure that all of our talented young musicians receive a comprehensive music education, we focus our work on:

- Tailor-made timetables - ensuring that every student receives individual support, choosing from several core and optional classes at our Sheffield-based Academy which runs for 30 Saturdays during term time.
 - Teaching Staff - employing highly skilled tutors in a wide range of classical instruments.
 - Shared music making - providing weekly opportunities to rehearse and play in orchestras, ensembles and choirs.
 - Performance classes – providing students with weekly opportunities to share their learning, practice performing and receive feedback and encouragement.
 - Informal lunchtime concerts – enabling students to practice performing to the whole of the SMA community in a friendly and supportive environment.
 - Workshops and masterclasses - welcoming experts in their fields to share their knowledge and expertise with students and staff.
 - Collaboration – partnering with other organisations to make the most of opportunities and share good practice.
-

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2025

- Fundraising - raising additional funds to supplement the grants made available through the Music and Dance Scheme. Grants are means tested using the Department for Education's criteria.

Safeguarding and wellbeing – ensuring teaching and non-teaching staff receive support and regular training and all appropriate checks.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

All our charitable activities focus on the education of young people aged between four and nineteen of exceptional musical ability or potential and are undertaken to further our charitable purposes for the public benefit.

Who used and benefited from our services?

Our objects and funding enable us to provide services to students who reside mainly in a geographical area to include South Yorkshire, Derbyshire, Northeast Lincolnshire and North Nottinghamshire.

Our main achievements that delivered public benefit in 2024-25 included:

- Providing weekly lessons to 124 young musicians in the main Academy (delivered via 175 individual sessions, 46 classes, senior and junior choir, various groups including our 35-piece chamber orchestra and a concert band of 30 students) and 85 students in the Infant Academy.
- Continuing to recruit staff of the highest calibre from around the UK.
- Attracting applications from a diverse group of potential students.
- Expanding our team to include more non-teaching staff, increasing our investment in the wellbeing of our students by providing non-musical activities and safe creative spaces for them to enjoy in their downtime, e.g. the art corner.
- Continuing our busy concert series, presenting 10 public performances at venues across South Yorkshire and Derbyshire including a large-scale performance at the Royal Albert Hall, London.

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2025

ACADEMIC AND ARTISTIC HIGHLIGHTS OF THE YEAR ENDED 31 JULY 2025

During 2024-25 we welcomed 19 new students into the main Academy, and we said farewell to five students who graduated at the end of the previous academic year.

Highlights included:

- Benjamin Britten's 'The Young Person's Guide to the Orchestra' featured as the inspiration for 2025's large-scale project. Students learnt about Britten's life and career through musical and visual art activities leading up to the end of year event. Staff created different arrangements of the work, enabling all students of the SMA family, across the infants, juniors and senior programmes, to perform at Sheffield Cathedral in July 2025.
- Along with members of the South Yorkshire Music Hub, 40 students and five staff from SMA took part in Music for Youth's Annual Proms celebrations at the Royal Albert Hall in November 2024. They developed a diverse repertoire and rehearsed this throughout the Autumn. The students were inspired by the experience of performing at one of the world's most celebrated venues.
- Our masterclass programme included a visit by international pianist Benjamin Frith, who mentored students on several works by Bach. Students in Concert Band were mentored by composer Lucy Armstrong as they rehearsed her work 'The Old Ship'.
- Young performers from the Academy led an incredibly exciting and poignant performance to mark the first event at Canada House, the home of Harmony Works, on 17 July 2025. As part of a fundraising event, SMA students joined forces with peers from South Yorkshire Music Hub to perform repertoire ranging from Vaughan Williams to Elbow, as well as accompanying local folk star duo Jon and Jackie Boden.
- The annual Infants and Juniors joint showcase brought together around 140 of our young students under 12 years old, confirming the value of investment in the region's young musicians.

Toolkit for Effective Practice

Continuing to develop and build upon our *Supporting First Generation Musicians* Initiative, a three-year project to support children who may not have previously been involved with music making at home, SMA's 167 project focuses on the learning between lessons and how students learn to practice productively. We have developed a toolkit to ensure students maintain healthy and efficient practice through:

- Individual Learning Plans – Tutors work closely with students to develop an Individual Learning Plan (ILP).
- Practice Diaries – SMA students receive a practice diary for each instrumental lesson, allowing tutors to outline weekly practice expectations. These diaries also serve as an effective communication tool for parents, keeping them informed about what is required at home. Individual Learning Plans (ILPs) are documented at the front of each diary for easy reference.
- Practice Material – the SMA portal and class mailing lists can be effectively used by SMA staff as platforms for sharing recommended listening, practice materials, and exercises.
- Open Door Days – parents and guardians are encouraged to attend their child's timetabled activities to gain a better understanding of learning goals, learn how to support practice at home, and ask any questions they may have about their child's studies.

Instrument Rental

We recognise that barriers to children taking up a musical instrument and continuing with it are not purely financial but also concern levels of family confidence in supporting their children in music

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2025

making. By continuing to invest in our stock of instruments, we ensure that all students and their families have access to good quality, suitable instruments that are well maintained without requiring an initial financial outlay. This provides families the opportunity to save for a good quality instrument when required.

Infant Academy

Established in 2017–18, the Infant Academy welcomes students from as young as four years old. In 2024–25, it enrolled 85 students from more than 30 schools across the region and continued to deliver exceptional music provision. By offering classes on Saturdays at Birkdale Prep School and on Monday afternoons at Millhouses Church, it further improved accessibility for families.

Most of our infant students continue studying an instrument beyond Infant Academy, with many students progressing to the Junior Programme at SMA.

Becca Francis, Head of the Infant Academy since its inception, stepped down on 31 July 2025. The Academy is extremely grateful for her dedicated leadership which has helped to ensure it is now a fully integrated part of our programme.

Other highlights

- All our 2024–25 graduates went on to study in higher education. Graduate destinations included the Universities of Durham, Bristol and York, and Leeds Conservatoire of Music.
- This year, for the first time, we set up a community project in Buxton, where local young musicians were invited to attend rehearsals and join our Buxton Festival performance of Benjamin Britten's 'The Young Person's Guide to the Orchestra'.
- The Art Corner continues to go from strength to strength, fostering a sense of community between the young people and supporting student wellbeing. Students continue to produce great works of visual art which are being used by SMA for both printed and social media.

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2025

FINANCIAL REVIEW OF THE YEAR ENDED 31 JULY 2025

	2024-25			2023-24		
	Income £	Expenditure £	Net movement before transfers £	Income £	Expenditure £	Net movement before transfers £
Core activities	479,151	469,096	10,055	468,974	475,534	(6,560)
Harmony Works *	-	-	-	50,095	34,477	15,618
Total	479,151	469,096	10,055	519,069	510,010	9,058

* A new charitable organisation, the Harmony works Trust (HWT) was registered on 29 August 2023. The Academy and HWT signed a business transfer agreement on 25 March 2024, confirming that HWT was responsible for all outstanding liabilities of the transferring business and indemnifying the Academy accordingly.

Core activities

Our total income for core activities in the 12-month period was £479,151, a slight increase on what we received in 2023-24.

Our total expenditure on core activities was £469,096, slightly less than what we spent in 2023-24. This can be attributed to a smaller teaching team as well as well-considered financial choices.

As a result of these year-on-year changes in income and expenditure, the overall net movement in our funds from unrestricted core activities was an increase of £16,615 before transfers.

We remain proud that the MDS grants from the DfE, together with the Student Support bursaries that we are able to offer from our own funds, mean that around two-thirds of students in the Main Academy receive some sort of support with their fees. And our Infant fees are also subsidised, with every student paying about 15% less than the cost of their provision.

In 2024-25 we were able to limit to the average increase in our fees to RPI and, mindful of the increasing financial pressure on families, we remain committed to finding ways to ensure that SMA remains accessible to all in the future.

Principal funding sources

The principal funding sources for the core activities of the Academy are grants from the DfE's Music and Dance Scheme, and fees paid by parents and guardians of our students.

While our dependence on income from the MDS Scheme has reduced significantly over the last decade (from 72 per cent to 51 per cent of our core income in 2024-25) because of concerted efforts to increase our sources of voluntary income and other grants, our non-MDS income was 7% (£18,061) lower in 2024-25 than the year before. This, together with a freeze in MDS rates for 2025-26, puts increasing pressure on our fundraising efforts going forward if we are to be able to maintain our student support at its current levels. We are therefore extremely grateful for the continued support of the Friends of Sheffield Music Academy, our business sponsors and local grant giving trusts.

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2025

Investment Policy

The donations we receive enable the Academy to maintain its reserves for core activities at a prudent level. Until we have sufficient funds for long-term investment, our reserves will continue to be split between three separate banks to ensure they remain protected by the Financial Services Compensation Scheme.

Reserves Policy

The trustees are risk averse as regards the Academy's reserves and aim to maintain sufficient free reserves in unrestricted funds (net current assets and assets that can be readily converted to cash) to ensure that the Academy's main operations can continue for a period of six months, or 26 weeks.

The annual operating cost of our core activities in 2025-26 is budgeted at £479,300. Net current assets in general funds amounted to £86,678 on 31 July 2025 and we held fixed asset instruments with a net book value of £96,844 that we considered to be readily convertible to cash, giving free reserves in unrestricted funds of £195,522, sufficient to cover our main operations for 21.2 weeks (17.1 weeks in 2023-24).

While we were able to maintain a higher level of free reserves this year than in 2023-24, they are not yet back to their desired level. However, the 26 week target was last reviewed in July 2018, when our operating budget was almost 60% lower (£200,000) than it is today. The Board therefore plans to review its Reserves Policy in 2025-26, seeking professional advice on a prudent level going forward.

Going Concern

The Board is reassured that the Academy almost continued to live within its means during 2024-25, generating a small (2.1%) surplus of income over expenditure. We have approved a balanced budget for the 2025-26 financial year and our latest forecast, based on the outturn to November 2025, confirms we remain on target to deliver it. The DfE has confirmed its support for the Music and Dance Scheme until July 2026, and we are satisfied that should the DfE grant funding no longer be available after that date, the Academy's main operations could continue for at least five months, i.e., until December 2026.

For these reasons, the Board continues to adopt the going concern basis in preparing the financial statements.

The Board also considers that external events are unlikely to have a material impact upon the Academy's ability to achieve its charitable objectives in the next 12 months. Nevertheless, the trustees and the Music Director will continue to monitor and respond to the risks of operating the Academy on an ongoing basis. The Academy has robust business continuity plans, risk management and financial management processes and so is well placed to respond to future uncertainty in a timely manner.

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Academy is a charitable company limited by guarantee. The company was established and is governed under Articles of Association that established the objects and powers of the charitable company and are based upon the Charity Commission's model with only very slight modification. In the event of the company being wound up its members are each required to contribute an amount not exceeding £1.

Patrons

We have two Patrons supporting Sheffield Music Academy:

- Elizabeth Watts is one of Britain's leading sopranos and is much in demand throughout the world as a recitalist and concert singer. She was a chorister at Norwich Cathedral and studied archaeology at Sheffield University before attending the Royal College of Music.
- Ryan Wigglesworth is a composer, conductor and pianist and Chief Conductor of the BBC Scottish Symphony Orchestra. He was born in Wincobank, Sheffield and attended King Edward VII School and was a Cathedral choirboy.

Recruitment and Appointment of Board of Trustees

The Academy's Articles state that we must have no less than three trustees but there is no maximum number. One third of the Trustees who have been longest in office must retire each year but may offer themselves for re-election or further co-option.

Our trustees must be aged 18 years or over, not disqualified under the Companies Act or Charities Acts, and must either be recommended by the trustees or be nominated for election by a member of the Charity. The trustees may co-opt individuals to the Board during the year for their expertise (e.g., financial or legal advice) through an ordinary resolution of the Board, but a co-opted trustee holds office only until the next AGM.

Every trustee must sign a declaration of willingness to act as a charity trustee of the Charity before they are eligible to vote at any Board meeting.

The Trustees of the Charity for the year ended 31 July 2025 are listed on page 1.

All trustees give of their time freely and no trustee remuneration or expenses were paid in the year. One trustee registered a conflict of interest during 2024-25:

- On 11 July 2024 the trustees agreed to co-opt our fundraising officer, Mary Gayford, to the Board and her appointment was confirmed on 16 December 2024. Mary's partner, Chris Gayford, is also a member of the Academy's teaching staff. As both their employments occurred before Mary's co-option, the Board is satisfied that their salaries are not a benefit arising from her trusteeship.

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2025

In accordance with the Academy's Conflicts of Interest Policy all payments to Mary are disclosed in the Academy's Annual Report and Financial Statements. Mary agreed to declare the existence of her contract of employment in her Trustee Declarations of Interest, published on the Academy's website.

Although not a Conflict of Interest, for the sake of openness, the Board wishes to highlight that Emily Pieters is employed by the Harmony Works Trust as its Project Director, and that Ian Falconer acts as SMA's nominated representative on its Board of Trustees.

Organisational structure

The Academy's Board met four times during 2024-25. At our Board meetings we agree the broad strategy and areas of activity for the Charity, including consideration of grant making, investment, reserves and risk management policies and performance.

Throughout 2024-25 we have continued to supplement our Board meetings with regular informal catchups with management, supporting the Music Director and his team as they determined the Academy's response to the constantly changing external environment. We are grateful for the considerable extra time that individual trustees have invested to support the charity during this period.

We have delegated the day-to-day administration of the Academy's activities, including its curriculum, staffing and student recruitment to the Music Director and his small administrative team.

Risk Management

The trustees keep the major risks to which the charity is exposed under regular review and have established systems and procedures to manage them.

With the transfer of the Harmony Works Project to the Harmony Works Trust in August 2023, we consider that major financial risks facing the Academy remain the possible loss or reduction in the Academy's major source of core funding (i.e. the grant provided by the Music and Dance Scheme) and its over-reliance on that one source of funding. Donations and grants received during the year helped to mitigate these risks, and we continue to review alternative future strategies.

The most significant non-financial risks remain:

- *that the Academy fails to meet its legal responsibilities concerning safeguarding, data protection and employment law, and that it fails to protect its IT systems and data.* The Board includes trustees with practical experience of safeguarding, employment law and cyber and data protection issues and has previously commissioned independent IT and estates advice that will help mitigate these risks.
- *that the Academy's teaching premises are not accessible nor fit for future purpose, in terms of capacity and quality.* In the short term we have been able to hire alternative premises for face-to-face ensemble tuition when our usual premises have not been available. And in the longer term these risks are being addressed by the Harmony Works Project.

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2025

THE ACADEMY'S PLANS FOR 2025-26 AND BEYOND

Looking to the future, the Sheffield Music Academy has plans to:

- Further develop a consistent teaching and learning approach across its Core and Infant schemes – better supporting staff to reflect and share best practice and continuing to develop a library of resources for staff, students and parents to facilitate the goal of a common approach and to facilitate the best practice at home.
- Build on our new database system, further integrating data collection, input and processing to streamline and facilitate the management of SMA.
- Continue to develop our new learning scheme for parents and children, part of the *Supporting First Generation Musicians* project, including the completion of accessible video resources forming an archive of information and advice to support student progression.
- Develop closer links with our partners, as we progress towards moving into our new home at Harmony Works.
- Working closely with South Yorkshire Music Hub to pilot its Progression Strategy, developing clearer pathways between Sheffield Music Academy and Sheffield Music Service to ensure students receive the most relevant and high-quality music education provision, with each young person receiving the right support for their musical ambitions.
- Share SMA's benchmarking and pathways with partners, working closely with organisations such as CSYO to support student progression.
- Further develop our partnership with the South Yorkshire Mayoral Combined Authority that in September 2024 launched a new South Yorkshire Music Hub (SYMCA), in partnership with the four local Music Hubs across the region, in Barnsley, Doncaster, Rotherham and Sheffield. This new collaboration, led by SYMCA and funded by Arts Council England (ACE), is part of an ambitious national program to provide high-quality music education for all children and young people.

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2025

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of Sheffield Music Academy for the purposes of company law) are responsible for preparing the Trustees' Annual Report and 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 accounting period, 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 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the charitable company will not 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 or the prevention and detection of fraud and irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy's website.

The Trustee's Annual Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The company is currently exempt from a statutory audit because its annual gross income does not exceed £1 million.

Approved by the Trustees of Sheffield Music Academy on 1 December 2025 and signed on their behalf by:



Ian Falconer
Interim Chair & Treasurer
Sheffield Music Academy

Sheffield Music Academy

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Sheffield Music Academy

Year ended 31 July 2025

I report to the trustees on my examination of the financial statements of Sheffield Music Academy ('the charity') for the year ended 31 July 2025.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements 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 the 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 statement

Since the charity'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 (ICAEW), 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 charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements 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).

Sheffield Music Academy

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Independent Examiner's Report to the Trustees of Sheffield Music Academy

(continued)

Year ended 31 July 2025

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.



Stephen Allen ACA, FCCA
Independent Examiner

Omega Court
364-366 Cemetery Road
Sheffield
S11 8FT

Sheffield Music Academy

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 July 2025

			2025		2024
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	5,725	16,500	22,225	89,198
Charitable activities	6	456,135	-	456,135	426,330
Investment income	7	791	-	791	3,541
Total income		<u>462,651</u>	<u>16,500</u>	<u>479,151</u>	<u>519,069</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	3,274	-	3,274	6,056
Expenditure on charitable activities	9,10	449,322	16,500	465,822	503,955
Total expenditure		<u>452,596</u>	<u>16,500</u>	<u>469,096</u>	<u>510,011</u>
Net income and net movement in funds		<u>10,055</u>	<u>-</u>	<u>10,055</u>	<u>9,058</u>
Reconciliation of funds					
Total funds brought forward		175,185	-	175,185	166,127
Total funds carried forward		<u>185,240</u>	<u>-</u>	<u>185,240</u>	<u>175,185</u>

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

The notes on pages 19 to 30 form part of these financial statements.

Sheffield Music Academy
Company Limited by Guarantee
Statement of Financial Position
31 July 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible fixed assets	15	98,562	100,357
Current assets			
Debtors	16	41,265	35,122
Cash at bank and in hand		88,042	80,062
		<u>129,307</u>	<u>115,184</u>
Creditors: amounts falling due within one year	17	<u>42,629</u>	<u>40,356</u>
Net current assets		<u>86,678</u>	<u>74,828</u>
Total assets less current liabilities		<u>185,240</u>	<u>175,185</u>
Net assets		<u>185,240</u>	<u>175,185</u>
Funds of the charity			
Unrestricted funds:			
Revaluation reserve		32,279	32,279
Other unrestricted income funds		152,961	142,906
Total unrestricted funds		<u>185,240</u>	<u>175,185</u>
Total charity funds	19	<u>185,240</u>	<u>175,185</u>

For the year ending 31 July 2025 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

The statement of financial position
continues on the following page.
The notes on pages 19 to 30 form part of these financial statements.

Sheffield Music Academy

Company Limited by Guarantee

Statement of Financial Position *(continued)*

31 July 2025

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:

Ian Falconer
Interim Chair & Treasurer

The notes on pages 19 to 30 form part of these financial statements.

Sheffield Music Academy

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 July 2025

	2025 £	2024 £
Cash flows from operating activities		
Net (expenditure)/income	10,055	9,058
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	6,318	5,866
Other interest receivable and similar income	(791)	(3,541)
Interest payable and similar charges	2,036	177
Accrued expenses	629	1,212
<i>Changes in:</i>		
Trade and other debtors	(6,143)	35,973
Trade and other creditors	1,644	(155,420)
Cash generated from operations	13,748	(106,675)
Interest paid	(2,036)	(177)
Interest received	791	3,541
Net cash from/(used in) operating activities	<u>12,503</u>	<u>(103,311)</u>
Cash flows from investing activities		
Purchase of tangible assets	(4,523)	(139)
Net cash used in investing activities	<u>(4,523)</u>	<u>(139)</u>
Net increase/(decrease) in cash and cash equivalents	7,980	(103,450)
Cash and cash equivalents at beginning of year	<u>80,062</u>	<u>183,512</u>
Cash and cash equivalents at end of year	<u>88,042</u>	<u>80,062</u>

The notes on pages 19 to 30 form part of these financial statements.

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 July 2025

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Office 9, Shirley House, 31 Psalter Lane, Sheffield, S11 8YL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2025

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2025

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Working instruments	- 10 years straight line or no depreciation
Equipment	- 5 years straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2025

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Sheffield Music Academy is a charitable company in the United Kingdom limited by guarantee. In the event that the charity is wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2025

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Donations			
Concert donations	255	—	255
Other donations	470	—	470
Arts Council Lottery	—	—	—
The Tramlines Trust	—	—	—
Grants			
Philip King Trust	—	16,500	16,500
Postlethwaite Foundation	1,000	—	1,000
Sheffield City Council - Harmony Works	—	—	—
The National Lottery Heritage Fund	—	—	—
Bursaries - Future Talent	—	—	—
Harrison Frank Foundation	4,000	—	4,000
	<u>5,725</u>	<u>16,500</u>	<u>22,225</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations			
Concert donations	539	—	539
Other donations	10,300	—	10,300
Arts Council Lottery	—	10,865	10,865
The Tramlines Trust	1,000	—	1,000
Grants			
Philip King Trust	—	16,500	16,500
Postlethwaite Foundation	—	—	—
Sheffield City Council - Harmony Works	—	50,000	50,000
The National Lottery Heritage Fund	—	(256)	(256)
Bursaries - Future Talent	—	250	250
Harrison Frank Foundation	—	—	—
	<u>11,839</u>	<u>77,359</u>	<u>89,198</u>

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2025

6. Charitable activities

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
Fees paid by Department for Education	245,511	245,511	217,273	217,273
Fees paid by parents	194,966	194,966	205,594	205,594
Artistic Projects	1,380	1,380	2,000	2,000
Instrument Hire	4,020	4,020	1,080	1,080
Other income	411	411	383	383
Examination recharges	9,847	9,847	—	—
	<u>456,135</u>	<u>456,135</u>	<u>426,330</u>	<u>426,330</u>

7. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
SMA music activities bank interest	791	—	791
Harmony Works bank interest	—	—	—
	<u>791</u>	<u>—</u>	<u>791</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
SMA music activities bank interest	3,190	—	3,190
Harmony Works bank interest	—	351	351
	<u>3,190</u>	<u>351</u>	<u>3,541</u>

8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
Fundraising costs	<u>3,274</u>	<u>3,274</u>	<u>6,056</u>	<u>6,056</u>

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2025

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Charitable activities	443,044	16,500	459,544
Support costs	6,278	–	6,278
	<u>449,322</u>	<u>16,500</u>	<u>465,822</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Charitable activities	416,008	81,225	497,233
Support costs	6,722	–	6,722
	<u>422,730</u>	<u>81,225</u>	<u>503,955</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2025 £	Total fund 2024 £
Charitable activities	459,544	–	459,544	497,233
Governance costs	–	6,278	6,278	6,722
	<u>459,544</u>	<u>6,278</u>	<u>465,822</u>	<u>503,955</u>

Governance costs consist of independent examination fees of £2,772 (2024: £1,800), grant audit of £978 (2024: £930) and payroll services/bookkeeping support of £2,528 (2024: £3,992).

11. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2025 £	2024 £
Depreciation of tangible fixed assets	<u>6,318</u>	<u>5,866</u>

12. Independent examination fees

	2025 £	2024 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	2,772	1,800
Other assurance services	978	930
	<u>3,750</u>	<u>2,730</u>

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2025

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2025	2024
	£	£
Wages and salaries	344,030	348,063
Social security costs	8,798	13,149
Employer contributions to pension plans	3,765	3,612
Other employee benefits and other staff costs	18,495	24,199
	<u>375,088</u>	<u>389,023</u>

The average head count of employees during the year was 36 (2024: 40). The average number of full-time equivalent employees during the year is analysed as follows:

	2025	2024
	No.	No.
Permanent staff	<u>36</u>	<u>40</u>

No employee received employee benefits of more than £60,000 during the year (2024: Nil).

14. Trustee remuneration and expenses

The trustees were not paid or received any benefits from employment with the charity in the year for their role as trustees (2024: £nil). In the year to 31 March 2025 M Gayford was reimbursed travel expenses of £65. No other trustees were reimbursed expenses during the year (2024: £nil).

No other charity received payment for professional or other services supplied to the charity (2024: £nil).

Key management, consisting of trustees and the Music Director, received total employee benefits of £44,590 during the year (2024: £43,429).

During the year a total of £3,272 (2024: £6,056) was paid to Mary Gayford for freelance work towards the charity's fundraising activities. Further details are given within the Trustees' Report.

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 July 2025

15. Tangible fixed assets

	Working instruments £	Equipment £	Instrument collection £	Total £
Cost				
At 1 August 2024	109,559	10,040	40,000	159,599
Additions	4,523	–	–	4,523
At 31 July 2025	114,082	10,040	40,000	164,122
Depreciation				
At 1 August 2024	51,930	7,312	–	59,242
Charge for the year	5,308	1,010	–	6,318
At 31 July 2025	57,238	8,322	–	65,560
Carrying amount				
At 31 July 2025	56,844	1,718	40,000	98,562
At 31 July 2024	57,629	2,728	40,000	100,357

16. Debtors

	2025 £	2024 £
Trade debtors	14,342	23,834
Prepayments and accrued income	2,056	2,368
Other debtors	24,867	8,920
	41,265	35,122

17. Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	5,100	2,975
Accruals and deferred income	7,122	6,493
Social security and other taxes	3,933	3,841
Other creditors	26,474	27,047
	42,629	40,356

18. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £3,765 (2024: £3,612).

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2025

19. Analysis of charitable funds

Unrestricted funds

	At 1 Aug 2024	Income	Expenditure	At 31 July 2025
	£	£	£	£
General funds	142,906	462,651	(469,096)	136,461
Revaluation reserve	32,279	—	—	32,279
	<u>175,185</u>	<u>462,651</u>	<u>(469,096)</u>	<u>168,740</u>

	At 1 Aug 2023	Income	Expenditure	At 31 July 2024
	£	£	£	£
General funds	130,333	441,359	(428,786)	142,906
Revaluation reserve	32,279	—	—	32,279
	<u>162,612</u>	<u>441,359</u>	<u>(428,786)</u>	<u>175,185</u>

Restricted funds

	At 1 Aug 2024	Income	Expenditure	At 31 July 2025
	£	£	£	£
Ensemble 360 Academy Project	—	—	—	—
Harmony Works	—	—	—	—
First Generation Musicians Project	—	16,500	(16,500)	—
Student bursary funds	—	—	—	—
Proms In The Playground	—	—	—	—
	<u>—</u>	<u>16,500</u>	<u>(16,500)</u>	<u>—</u>

	At 1 Aug 2023	Income	Expenditure	At 31 July 2024
	£	£	£	£
Ensemble 360 Academy Project	5,000	—	(5,000)	—
Harmony Works	(15,618)	50,095	(34,477)	—
First Generation Musicians Project	14,133	16,500	(30,633)	—
Student bursary funds	—	250	(250)	—
Proms In The Playground	—	10,865	(10,865)	—
	<u>3,515</u>	<u>77,710</u>	<u>(81,225)</u>	<u>—</u>

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2025

19. Analysis of charitable funds *(continued)*

Ensemble 360 Academy Project

This project is funded by Sheffield Town Trust, The Freshgate Trust Foundation and JG Graves Charitable Trust.

First Generation Musicians Project

During 2022-23 we launched a three year initiative to support children aged between four and eight years old who may not have previously been involved with music-making at home on their journey to learn a musical instrument. The project involves instrument lessons and musicianship classes, support to parents via workshops and videos, subsidised tickets to professional orchestral concerts for young musicians and their families and the purchase of child-sized instruments for their use. It is funded by grants from D'Oyly Carte Charitable Trust, John Thaw Foundation, Philip King Trust, Postlethwaite Music Foundation and Schroder Trust.

Student bursary funds

The Amber Trust provides Music Awards to support blind and partially sighted children and young people, who may also have other disabilities or special educational needs, until the age of 18. Its grant has been transferred to discount the fees of such students at the main Academy. In the year to 31 July 2024 a further bursary of £250 was received from Future Talent towards the tuition fees of a student.

Harmony Works

Money is being raised towards the feasibility stage of the Harmony Works project (see the trustees' report for further detail). The negative fund balance as at 31 July 2023 was supported by a £100,000 loan from Sheffield City Council - see other notes. Expenditure of £34,477 in 2023-24 includes the balance of £29,427 transferred to the Harmony Works Trust on 29 August 2023.

Proms In The Playground

Money was raised from grant providers towards a collaborative music education project focused on brass ensemble playing and group singing directly into Sheffield Primary schools during summer 2023.

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2025

20. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	2025	
	£	£
Tangible fixed assets	98,562	98,562
Current assets	129,307	129,307
Creditors less than 1 year	(42,629)	(42,629)
Net assets	185,240	185,240

	Unrestricted Funds	Total Funds
	2024	
	£	£
Tangible fixed assets	100,357	100,357
Current assets	115,184	115,184
Creditors less than 1 year	(40,356)	(40,356)
Creditors greater than 1 year	—	—
Net assets	175,185	175,185

21. Analysis of changes in net debt

	At 1 Aug 2024	Cash flows	At 31 Jul 2025
	£	£	£
Cash at bank and in hand	80,062	7,980	88,042

SHEFFIELD MUSIC ACADEMY

England & Wales - Charity number 1143420

Accounts

COMPANY REGISTRATION NUMBER: 07667445
CHARITY REGISTRATION NUMBER: 1143420

Sheffield Music Academy
Company Limited by Guarantee
Unaudited Financial Statements
31 July 2024

ALLEN, WEST AND FOSTER LIMITED
Chartered accountants
Omega Court
364-366 Cemetery Road
Sheffield
S11 8FT

Sheffield Music Academy
Company Limited by Guarantee
Financial Statements
Year ended 31 July 2024

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Independent examiner's report to the trustees	13
Statement of financial activities (including income and expenditure account)	14
Statement of financial position	15
Statement of cash flows	17
Notes to the financial statements	18

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 July 2024

Sheffield Music Academy (the Academy) is a charitable company limited by guarantee. The Directors are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 July 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and the charities Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland; FRS 102) issued in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Date of incorporation	13 June 2011																
Company registration no.	07667445																
Date of registration	17 August 2011																
Charity registration no.	1143420																
Patrons	Ms E Watts Mr R Wigglesworth																
Honorary President	Trisha Cooper																
Trustees during period	<table><tr><td>Ms A Brumpton</td><td><i>co-opted 05 October 2020, re-appointed 22 February 2024</i></td></tr><tr><td>Ms T Cooper (Chair)</td><td><i>re-appointed 18 January 2023, retired 31 July 2024</i></td></tr><tr><td>Mr I Falconer (Treasurer)</td><td><i>re-appointed 18 January 2023 (Interim Chair from 01 August 2024)</i></td></tr><tr><td>Mrs M Gayford</td><td><i>co-opted 11 July 2024</i></td></tr><tr><td>Mr N Ma</td><td><i>co-opted 25 July 2024</i></td></tr><tr><td>Ms R Mallaband</td><td><i>co-opted 05 October 2020, re-appointed 22 February 2024</i></td></tr><tr><td>Ms E Pieters</td><td><i>re-appointed 18 January 2021</i></td></tr><tr><td>Ms S Unwin</td><td><i>co-opted 04 October 2021, appointed 31 January 2022</i></td></tr></table>	Ms A Brumpton	<i>co-opted 05 October 2020, re-appointed 22 February 2024</i>	Ms T Cooper (Chair)	<i>re-appointed 18 January 2023, retired 31 July 2024</i>	Mr I Falconer (Treasurer)	<i>re-appointed 18 January 2023 (Interim Chair from 01 August 2024)</i>	Mrs M Gayford	<i>co-opted 11 July 2024</i>	Mr N Ma	<i>co-opted 25 July 2024</i>	Ms R Mallaband	<i>co-opted 05 October 2020, re-appointed 22 February 2024</i>	Ms E Pieters	<i>re-appointed 18 January 2021</i>	Ms S Unwin	<i>co-opted 04 October 2021, appointed 31 January 2022</i>
Ms A Brumpton	<i>co-opted 05 October 2020, re-appointed 22 February 2024</i>																
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Mr N Ma	<i>co-opted 25 July 2024</i>																
Ms R Mallaband	<i>co-opted 05 October 2020, re-appointed 22 February 2024</i>																
Ms E Pieters	<i>re-appointed 18 January 2021</i>																
Ms S Unwin	<i>co-opted 04 October 2021, appointed 31 January 2022</i>																
Music Director	Mr M Cropper																
General Manager & Company Secretary	Miss J O'Neill <i>until 07 October 2023</i> Mr M Wigley <i>from 08 October 2023</i>																
Registered office	Office 9, Shirley House 31 Psalter Lane Sheffield, S11 8YL																
Accountants	Allen West & Foster Limited Omega Court, 364-366 Cemetery Road Sheffield, S11 8FT																
Bankers	Virgin Money 66 Fargate Sheffield S1 2HE Charities Aid Foundation 25 Kings Hill Avenue Kings Hill, West Malling Kent ME19 4TA																

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

OUR AIMS AND OBJECTIVES

Purpose and objectives

Our charity's purpose, as set out in the objects contained in the company's Articles of Association, is to advance the education of young people of exceptional musical ability or potential who are aged between four and 19 years in all aspects of music and musicianship. In short, Sheffield Music Academy (the Academy) exists to help young musicians fulfil their potential.

We are part of a network run under the auspices of the Department for Education's (DfE's) Music and Dance Scheme, which includes Centres for Advanced Training (CATs) in music and dance, Specialist Residential Schools and Conservatoire Junior Departments.

Our aim is to raise aspirations for young people passionate about any form of music in which they show above average aptitude, not necessarily for a career in music and the performing arts but in order that they may make the most of their skills and talents, develop their self-confidence and in their turn contribute to the musical activities of their schools and colleges, areas and communities. Our aim fully reflects the purposes that the charity was set up to further.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review covers the year ending 31 July 2024 and looks at what we achieved and the outcomes of our work during that period. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help.

The review also helps us ensure our aims, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

Alongside continuing to provide education for talented young musicians, we have focused on finding additional ways of funding that education. The strategies we used to meet our objectives included:

- Ensuring that every student receives individual support, choosing from a number of core and optional classes at our Sheffield-based Academy which runs for 30 Saturdays during term time.
 - Employing highly skilled tutors in a wide range of classical instruments.
 - Providing regular opportunities to play in orchestras and ensembles.
 - Organising workshops, from specialist masterclasses to intense ensemble training, welcoming experts in a range of instruments, music and health, folk music, rock, jazz and music production.
 - Participating in external workshops that enable students to benefit from the Academy's close partnership with various music organisations in Sheffield and the surrounding area.
 - Raising additional funds to supplement the grants made available through the Music and Dance Scheme. Grants are means tested using the Department for Education's criteria.
-

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

All our charitable activities focus on the education of young people of aged between four and 19 of exceptional musical ability or potential and are undertaken to further our charitable purposes for the public benefit.

Who used and benefited from our services?

Our objects and funding enable us to provide services to students who reside mainly in a geographical area to include South Yorkshire, Derbyshire, Northeast Lincolnshire and North Nottinghamshire.

Our main achievements that delivered public benefit in 2023-24 included:

- Providing weekly lessons to 128 young musicians in the main Academy (delivered via 199 individual sessions, 44 classes, senior and junior choir, various groups including our 35-piece chamber orchestra and a concert band of 24 students) and 95 students in the Infant Academy.
- Continuing to recruit staff of the highest calibre from around the UK.
- Attracting applications from an increasingly diverse group of potential students.
- Expanding our team to include more non-teaching staff, increasing our investment in the wellbeing of our students by providing non-musical activities and safe creative spaces for them to enjoy in their downtime, e.g. the art corner.
- Continuing our busy concert series, presenting 13 public performances at venues across South Yorkshire.

ACADEMIC AND ARTISTIC HIGHLIGHTS OF THE YEAR ENDED 31 JULY 2024

During 2023-24 we welcomed 21 new students into the main Academy, including one Ukrainian refugee (whose place was funded by our sponsor GRI Group) and said farewell to nine students who graduated at the end of the previous academic year. We were also joined by six new members of staff, who helped us to maintain our standards of musicianship and teaching.

Supporting First Generation Musicians

We recognise that barriers to children taking up a musical instrument and continuing with it are not purely financial, but also concern levels of family confidence in supporting their children in music making. And learning an instrument involves much individual practice at home, which can be greatly enriched by concert attendance, listening to repertoire at home, and benefits from informal performing for family and friends. In particular, we believe that the best ambassadors for taking up and sticking with a musical instrument are our current students, and that many of the barriers to accessing music-making dissolve when children see other children just like them perform.

In 2023 we therefore launched the *Supporting First Generation Musicians* project, a three-year initiative to support children who may not have previously been involved with music-making at home on their journey to learn a musical instrument.

During 2023-24 the funds we raised enabled us to:

- provide bursaries to 70 first generation musicians, subsidising their weekly instrumental lessons and musicianship group classes
-

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

- provide subsidised tickets for students and their families to attend their first major professional concert. In 2023-24 these included a visit to Sheffield City Hall to celebrate Sir Mark Elder's final Sheffield performance with the Hallé Orchestra.
- continue to develop our new learning scheme that enables parents to develop a musical life of their own alongside their child. The scheme supports practice at home and encourages parents to become part of our musical community groups and choirs. Our resources include workshops providing practical and advice on how to optimise home music practice, and how parents and children can learn to play together. The workshops are available as video resources and form a growing archive of information and advice which parents and others can refer to as their child progresses. To date they have had over 100,000 views.

Following the success of our 'Peter and Wolf' Project, we celebrated 200 years of Beethoven's 9th Symphony, bringing the whole of the SMA family together, welcoming back a number of SMA alumni and engaging professional soloists to accompany them. We invited our infants and juniors to begin the performance with a performance of 'Ode to Joy'.

Infant Academy

Established in 2017-18, the Infant Academy is now a fully integrated part of our offer that accepts students from as young as four years old. In 2023-24 it had 95 students drawn from some 32 different schools across the region and it continued to deliver fantastic music provision, offering some classes during the week as well as Saturday afternoons.

Other highlights

- We commissioned one of our final year students, Jacob Jordan, to write a piece to celebrate Sir Mark Elder's 25 years with the Hallé Orchestra, which our students performed for him to great acclaim at the Sheffield City Hall.
- Our masterclass programme included a visit by international pianist Benjamin Frith, who focussed on Gillock's educational works.
- Young performers from the Academy gave pre-concert recitals in the foyer of the City Hall before each of the concerts in the Sheffield International Concert Season.
- The exceptional quality of the year's final year students, and their extraordinary output, enabled us to put on three additional performances in 2023-24, including Copeland's clarinet concerto, and violin concertos by Mendelson and Bruch.
- All of our 2023-24 graduates went on to study in higher education, including those with full scholarships to conservatoires and places at Oxbridge.
- The annual Infants and Juniors joint showcase brought together around 140 of our young students under 12 years old, confirming the value of investment in the region's young musicians.
- Together with Music in The Round, Brass Bands England and our other partners in the Harmony Works Project, we once again presented *Proms in The Playground*, a music education project held in a number of Sheffield primary schools during the autumn term of 2023.

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

FINANCIAL REVIEW OF THE YEAR ENDED 31 JULY 2024

	2023-24			2022-23		
	Income £	Expenditure £	Net movement before transfers £	Income £	Expenditure £	Net movement before transfers £
Core activities	468,974	475,534	(6,560)	470,112	476,266	(6,154)
Harmony Works *	50,095	34,477	15,618	321,352	297,130	24,222
Total	519,069	510,010	9,058	791,464	773,396	18,068

** a more detailed commentary on the Harmony Works project follows in a separate section that begins at page 9 below*

Core activities

Our total income for core activities in the 12-month period was £468,974, almost the same as we received in 2021-22. Although we enrolled 11 more students in the main and infant academies than the previous year, with a proportionate increase in tuition fees and grants, donations and other income fell slightly, resulting in overall levels of income remaining constant in real terms.

Our total expenditure on core activities was £475,534, also about the same as we spent in the same period last year.

As a result of these year-on-year changes in income and expenditure, the overall net movement in our funds from unrestricted core activities was a small decrease of £6,560 before transfers.

We are particularly proud that grants from the DfE, together with the bursaries that we are able to offer from our own funds, mean that just over 70 per cent of the students in the Main Academy receive some sort of support with their fees. And our Infant fees are set at a level that each pays about 15% less than the cost of their provision.

Principal funding sources

The principal funding sources for the core activities of the charity are grants from the DfE's Music and Dance Scheme, and fees paid by parents and guardians of the Academy's students. While we remain heavily reliant on income from the Scheme (46 per cent of our core income in 2023-24, excluding grants towards the Harmony Works project), that dependence is reducing (it was 72 per cent of our income in 2015-16) because of concerted efforts to increase our sources of voluntary income and other grants. We are extremely grateful for the continued support of the Friends of Sheffield Music Academy, our business sponsors and local grant giving trusts.

Investment Policy

The donations we receive enable the Academy to maintain its reserves for core activities at a prudent level. Until we have sufficient funds for long-term investment, our reserves will continue to be split between two separate banks to ensure they remain protected by the Financial Services Compensation Scheme.

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

Reserves Policy

The trustees are risk averse as regards the Academy's reserves and aim to maintain sufficient free reserves in unrestricted funds (net current assets and assets that can be readily converted to cash) to ensure that the Academy's main operations can continue for a period of six months, or 26 weeks.

The annual operating cost of our core activities in 2024-25 is budgeted at £523,000. Net current assets in general funds amounted to £74,824 on 31 July 2024 and we held fixed asset instruments with a net book value of £97,629 that we considered to be readily convertible to cash, giving free reserves in unrestricted funds of £172,425, sufficient to cover our main operations for 17.1 weeks (17.7 weeks in 2022-23).

While we were unable to rebuild our free reserves to their desired level during 2023-24, the 26 week target was last reviewed in July 2018, when our operating budget was 60% lower (£200,000) than it is today. The Board therefore plans to review its Reserves Policy in 2024-25, seeking professional advice on a prudent level going forward. In the meantime, we will continue our fundraising investments next year and it remains a priority to maintain a slightly higher level of free reserves than at present.

Going Concern

The Board is reassured that the Academy almost continued to live within its means during 2023-24, with only a small (1.4%) shortfall of income over expenditure. We have approved a balanced budget for the 2024-25 financial year and our latest forecast, based on the outturn to November 2024, confirms we remain on target to deliver it. The DfE has confirmed its support for the Music and Dance Scheme until July 2025, and we are satisfied that should the DfE grant funding no longer be available beyond 31 July 2025, the Academy's main operations could continue for at least five months, i.e., until December 2025.

For these reasons, the Board continues to adopt the going concern basis in preparing the financial statements.

The Board also considers that external events are unlikely to have a material impact upon the Academy's ability to achieve its charitable objectives in the next 12 months. Nevertheless, the trustees and the Music Director will continue to monitor and respond to the risks of operating the Academy on an ongoing basis. The Academy has robust business continuity plans, risk management and financial management processes and so is well placed to respond to future uncertainty in a timely manner.

Events after the Reporting Period

The only significant post balance sheet event is the establishment on 29 August 2023 of the Harmony Works Trust, a new charitable incorporated organisation, which acquired the assets and liabilities of the Harmony Works project from that date, including the obligation to repay the £100,000 loan and accumulated interest which we took on behalf of the project from Sheffield City Council.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Academy is a charitable company limited by guarantee. The company was established and is governed under Articles of Association that established the objects and powers of the charitable company and are based upon the Charity Commission's model with only very slight modification. In the event of the company being wound up its members are each required to contribute an amount not exceeding £1.

Patrons

We have two Patrons supporting Sheffield Music Academy:

- Elizabeth Watts is one of Britain's leading sopranos and is much in demand throughout the world as a recitalist and concert singer. She was a chorister at Norwich Cathedral and studied archaeology at Sheffield University before attending the Royal College of Music.
- Ryan Wigglesworth is a composer, conductor and pianist and Chief Conductor of the BBC Scottish Symphony Orchestra. He was born in Wincobank, Sheffield and attended King Edward VII School and was a Cathedral choirboy.

Recruitment and Appointment of Board of Trustees

There must not be less than three trustees but there is no maximum number. Trustees must retire after three years' service but may offer themselves for re-election or further co-option.

A person qualified and wishing to become a trustee must be aged 18 years or over and must either be recommended by the trustees or be nominated for election by a member of the Charity. The trustees may co-opt individuals to the Board during the year for their particular expertise (e.g., financial or legal advice) through an ordinary resolution of the Board, but a co-opted trustee holds office only until the next AGM.

Every trustee must sign a declaration of willingness to act as a charity trustee of the Charity before they are eligible to vote at any Board meeting.

The Trustees of the Charity for the year ended 31 July 2024 are listed on page 1. They include Mary Gayford and Ning Ma, both of whom were co-opted in July 2024.

On 31 July 2024 our founding Chair, Trisha Cooper, retired after almost 13 years in office. The Academy is extremely grateful for the selfless way that Trisha has used her professional skills and experience in the world of music and media for its benefit, and in recognition of her dedicated service the Board has appointed her as our first Honorary President with effect from 01 August 2024.

Ian Falconer is acting as Interim Chair until a new Chair is appointed later in 2024-25.

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

All trustees give of their time freely and no trustee remuneration or expenses were paid in the year. Two trustees registered a conflict of interest during 2023-24:

- In May 2020, having received independent legal advice that it could satisfactorily address all the factors outlined in Charity Commission Guidance Note CC29 (Conflicts of interest: a guide for charity trustees) the Board agreed that Emily Pieters be retained as Harmony Works Project Director. The Charity Commission gave its consent to these arrangements, noting the trustees had made a strong case as to why this was in the best interests of the charity. Emily's conflict ended when her employment transferred to the Harmony Works Trust on 29 August 2023.
- On 11 July 2024 the trustees agreed to co-opt our fundraising officer, Mary Gayford, to the Board. Mary's partner, Chris Gayford is also a member of the Academy's teaching staff. As both their employments occurred before Mary's co-option, the Board is satisfied that their salaries are not a benefit arising from her trusteeship.

In accordance with the Academy's Conflicts of Interest Policy:

- all payments to Emily and Mary are disclosed in the Academy's Annual Report and Financial Statements
- both have agreed to declare the existence of their contracts of employment in their Trustee Declarations of Interest, published on the Academy's website.

Organisational structure

The SMA Board met four times during 2023-24. At its meetings the trustees agree the broad strategy and areas of activity for the Charity, including consideration of grant making, investment, reserves and risk management policies and performance.

Throughout 2023-24 we have continued to supplement our Board meetings with regular informal catchups with management, supporting the Music Director and his team as they determined the Academy's response to the constantly changing external environment. We are grateful for the considerable extra time that individual trustees have invested to support the charity during this period.

The day-to-day administration of the Academy's activities, including its curriculum, staffing and student recruitment is delegated to the Music Director and his small administrative team.

Risk Management

The trustees keep the major risks to which the charity is exposed under regular review and have established systems and procedures to manage them.

With the transfer of the Harmony Works Project to the Harmony Works Trust in August 2023, the trustees consider that major financial risks facing the Academy are now the possible loss or reduction in the Academy's major source of core funding (i.e., the grant provided by the Music and Dance Scheme) and its over-reliance on that one source of funding. Donations and grants received during the year helped to mitigate these risks, and the trustees continue to review alternative future strategies.

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

The most significant non-financial risks remain:

- *that the Academy fails to meet its legal responsibilities concerning safeguarding, data protection and employment law, and that it fails to protect its IT systems and data.* The Board includes trustees with practical experience of safeguarding and legal and data protection issues and has commissioned independent IT and estates advice that will help mitigate these risks.
- *That the Academy's teaching premises are not accessible nor fit for future purpose, in terms of capacity and quality.* In the short term we have been able to hire alternative premises for face-to-face ensemble tuition when our usual premises have not been available. And in the longer term these risks are being addressed by the Harmony Works Project.

THE HARMONY WORKS PROJECT

In 2017 the Sheffield Music Academy joined forces with the Sheffield Music Hub to explore the creation of a permanent home for music education in the city. Both organisations are serving increasing numbers of children and young people, but each relies on renting temporary spaces, spread across the Sheffield City Region; none of which are designed for music or fit for expansion.

Harmony Works is a bold and compelling vision to create an inspirational new centre for music education and performance and a collaboration between partners which will touch the lives of thousands of children and young people in the Sheffield City Region:

- A permanent and shared home would provide a highly visible, accessible, physical focus for music education, open to the public and with a full array of practice, rehearsal, and performance spaces not available elsewhere in the region.
- By facilitating closer working and collaboration, The Harmony Works partnership will expand access to music teaching to reach as many children and young people as possible.

Article 4.8 of our Articles of Association allows the Academy to acquire or improve property of any kind in furtherance of our charitable objectives. Since 2017 we exercised those powers to act as Accountable Body for the Harmony Works Project, administering its funding on behalf of the project's partners as they sought to raise funds for the acquisition and refurbishment of Canada House to be their new permanent home.

On 29 August 2023 a new charitable incorporated organisation, the Harmony Works Trust (HWT), was registered with the following objects:

- to advance education in and promote public appreciation of the performing arts, in particular but not limited to, music; and
 - to acquire, preserve, restore and maintain the building of historic and architectural interest situated in Sheffield currently known as Canada House.
-

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

Before HWT could complete the contract to purchase Canada House which the Academy had entered into in January 2021, we first needed to be transfer to the new Trust the role of accountable body and the various assets and liabilities that we held on the project's behalf.

On 25 March 2024 the Academy and HWT signed a Business Transfer and Handover Agreement to formally register that transfer. The Agreement, which was prepared by our legal advisors CMS LLP and tax advisors CT LLP, clearly set out what transferred and confirmed that HWT would be responsible for all outstanding liabilities relating to the transferring business and would indemnify SMA accordingly.

Although the Agreement confirmed that for VAT reasons the effective date of transfer was the date of incorporation of HWT, ie 29 August 2023, in some instances the Academy continued to act as agent for HWT until the date of the agreement, entering into engagements on the Trust's behalf and continuing to hold cash funds in relation to loan monies until its loan agreement with Sheffield City Council was novated.

Financial Review of the Project

We received £50,095 on behalf of the Harmony Works project in August 2023, mostly comprising restricted funds from Sheffield City Council. Project expenditure during the month was £34,477, resulting in a net increase of £15,618 before transfers to designated and restricted funds.

On 25 March 2024 we transferred the balance of the restricted funds we held on behalf of the project (£29,427) to Harmony Works Trust. Until that date we had kept those funds in a dedicated bank account, separate from the Academy's two other business accounts.

Structure, Governance and Management of the Project

In accordance with Article 8.1.2 of the Academy's Articles of Association, the SMA Board established a working group to oversee the Harmony Works project. Known as the Development Board, it was advisory, with no delegated powers except the permission to approve expenditure within budgets already determined by the SMA Board which acted as the project's Accountable Body until 29 August 2023, and as agent to HWT between 29 August 2023 and 25 March 2024 when the Business Transfer and Handover Agreement was signed.

The Development Board was chaired by Ian Falconer (SMA Treasurer), supported by Professor Karen Burland (Chair of the Sheffield Music Hub), and independent advisors David Hobson and Denise Edwards. Attendees include Emily Pieters (Project Director), the Academy's Music Director and the Hub's Head of Music Education. It met three times during 2023-24.

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

THE ACADEMY'S PLANS FOR 2024-25 AND BEYOND

Looking to the future, the Sheffield Music Academy has plans to:

- Continue to grow the standard and numbers of student applications, and to further strengthen our teaching staff.
- Continue to develop our new learning scheme for parents and children, part of the *Supporting First Generation Musicians* project, including the completion of accessible video resources forming an archive of information and advice to support student progression.
- Continue to grow our public profile. Our fundraising will focus on:
 - some large, visionary, big picture projects, e.g. supporting a project based around Britten's Young Person's Guide To The Orchestra.
 - A programme to developing young conductors.
 - Approaching organisations with support to cover core costs.
- Continue with our plans to automate and improve our office support systems, for example by the introduction of electronic registers – our team of just 2.2 fte staff currently supports some 10,000 hours of tuition each year!
- Further develop our partnership with the South Yorkshire Mayoral Combined Authority that in September 2024 launched a new South Yorkshire Music Hub (SYMh), in partnership with the four local Music Hubs across the region, in Barnsley, Doncaster, Rotherham and Sheffield. This new collaboration, led by SYMCA and funded by Arts Council England (ACE), is part of an ambitious national program to provide high-quality music education for all children and young people.
- Join colleagues from across the region in an enormous South Yorkshire super orchestra that will play at The Music For Youth Proms at the Royal Albert Hall in London in November 2024.
- Continue to build towards the full realisation of our Harmony Works vision.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of Sheffield Music Academy for the purposes of company law) are responsible for preparing the Trustees' Annual Report and 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 accounting period, 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.
-

Sheffield Music Academy

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

- 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 a going concern basis unless it is appropriate to presume that the charitable company will not 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 or the prevention and detection of fraud and irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy's website.

The Trustee's Annual Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The company is currently exempt from a statutory audit because its annual gross income does not exceed £1 million.

Approved by the Trustees of Sheffield Music Academy on 16 December 2024 and signed on their behalf by:



Ian Falconer
Interim Chair & Treasurer
Sheffield Music Academy

Sheffield Music Academy

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Sheffield Music Academy

Year ended 31 July 2024

I report to the trustees on my examination of the financial statements of Sheffield Music Academy ('the charity') for the year ended 31 July 2024.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements 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 the 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 statement

Since the charity'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 (ICAEW), 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 charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements 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.



Stephen Allen ACA, FCCA
Independent Examiner

Omega Court
364-366 Cemetery Road
Sheffield
S11 8FT

Sheffield Music Academy

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 July 2024

		2024				2023
		Unrestricted funds	Restricted funds	Harmony Works Restricted funds	Total funds	Total funds
	Note	£	£	£	£	£
Income and endowments						
Donations and legacies	5	11,839	27,615	49,744	89,198	370,687
Charitable activities	6	426,330	—	—	426,330	414,986
Investment income	7	3,190	—	351	3,541	5,791
Total income		<u>441,359</u>	<u>27,615</u>	<u>50,095</u>	<u>519,069</u>	<u>791,464</u>
Expenditure						
Expenditure on raising funds:						
Costs of raising donations and legacies	8	6,056	—	—	6,056	5,260
Expenditure on charitable activities	9,10	422,730	46,748	34,477	503,955	768,136
Total expenditure		<u>428,786</u>	<u>46,748</u>	<u>34,477</u>	<u>510,011</u>	<u>773,396</u>
Net income and net movement in funds		<u>12,573</u>	<u>(19,133)</u>	<u>15,618</u>	<u>9,058</u>	<u>18,068</u>
Reconciliation of funds						
Total funds brought forward		162,612	19,133	(15,618)	166,127	148,059
Total funds carried forward		<u>175,185</u>	<u>—</u>	<u>—</u>	<u>175,185</u>	<u>166,127</u>

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

The notes on pages 18 to 31 form part of these financial statements.

Sheffield Music Academy
Company Limited by Guarantee
Statement of Financial Position
31 July 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	16	100,357	106,084
Current assets			
Debtors	17	35,122	71,095
Cash at bank and in hand		80,062	183,512
		<u>115,184</u>	<u>254,607</u>
Creditors: amounts falling due within one year	18	40,356	91,693
Net current assets		<u>74,828</u>	<u>162,914</u>
Total assets less current liabilities		<u>175,185</u>	<u>268,998</u>
Creditors: amounts falling due after more than one year	19	—	102,871
Net assets		<u>175,185</u>	<u>166,127</u>
Funds of the charity			
Restricted funds		—	3,515
Unrestricted funds:			
Revaluation reserve		32,279	32,279
Other unrestricted income funds		142,906	130,333
Total unrestricted funds		<u>175,185</u>	<u>162,612</u>
Total charity funds	21	<u>175,185</u>	<u>166,127</u>

For the year ending 31 July 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

The statement of financial position
continues on the following page.

The notes on pages 18 to 31 form part of these financial statements.

Sheffield Music Academy

Company Limited by Guarantee

Statement of Financial Position *(continued)*

31 July 2024

These financial statements were approved by the board of trustees and authorised for issue on 16 December 2024, and are signed on behalf of the board by:



Ian Falconer
Interim Chair and Treasurer

The notes on pages 18 to 31 form part of these financial statements.

Sheffield Music Academy
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 July 2024

	2024 £	2023 £
Cash flows from operating activities		
Net income	9,058	18,068
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	5,866	5,950
Other interest receivable and similar income	(3,541)	(5,791)
Interest payable and similar charges	177	2,550
Accrued expenses	1,212	–
<i>Changes in:</i>		
Trade and other debtors	35,973	(31,225)
Trade and other creditors	(155,420)	27,827
Cash generated from operations	(106,675)	17,379
Interest paid	(177)	–
Interest received	3,541	5,791
Net cash (used in)/from operating activities	(103,311)	23,170
Cash flows from investing activities		
Purchase of tangible assets	(139)	(6,834)
Proceeds from sale of tangible assets	–	1,650
Net cash used in investing activities	(139)	(5,184)
Net (decrease)/increase in cash and cash equivalents	(103,450)	17,986
Cash and cash equivalents at beginning of year	183,512	165,526
Cash and cash equivalents at end of year	80,062	183,512

The notes on pages 18 to 31 form part of these financial statements.

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Office 9, Shirley House, 31 Psalter Lane, Sheffield, S11 8YL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Working instruments	- 10 years straight line or no depreciation
Equipment	- 5 years straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Sheffield Music Academy is a charitable company in the United Kingdom limited by guarantee. In the event that the charity is wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations			
Concert donations	539	—	539
Other donations	10,300	—	10,300
GRI Group	—	—	—
The Tramlines Trust	1,000	—	1,000
Harmony Works:			
CMS LLP - donation in kind	—	—	—
Falconer Associates Ltd - donation in kind	—	—	—
Harmony Works donations	—	—	—
Proms In The Playground:			
Arts Council Lottery	—	10,865	10,865
Grants			
Improvised Compositions Project:			
The Freshgate Trust Foundation	—	—	—
First Generation Musicians Project:			
Philip King Trust	—	16,500	16,500
The D'Oyly Carte Charitable Trust	—	—	—
Postlethwaite Foundation	—	—	—
John Thaw Foundation	—	—	—
Scroder Charity Trust	—	—	—
Bursaries:			
Bursaries - The Amber Trust	—	—	—
Bursaries - Future Talent	—	250	250
Harmony Works:			
Sheffield City Council	—	50,000	50,000
The National Lottery Heritage Fund	—	(256)	(256)
James Neill Trust Fund	—	—	—
Sheffield Church Burgesses Trust	—	—	—
Sheffield Town Trust	—	—	—
The Tramlines Trust	—	—	—
	<u>11,839</u>	<u>77,359</u>	<u>89,198</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Concert donations	3,056	—	3,056
Other donations	3,283	—	3,283
GRI Group	7,500	—	7,500
The Tramlines Trust	—	—	—
Harmony Works:			
CMS LLP - donation in kind	—	67,755	67,755
Falconer Associates Ltd - donation in kind	—	840	840
Harmony Works donations	—	1,000	1,000
Proms In The Playground:			
Arts Council Lottery	—	—	—

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Grants			
Improvised Compositions Project:			
The Freshgate Trust Foundation	—	2,000	2,000
First Generation Musicians Project:			
Philip King Trust	—	25,000	25,000
The D'Oyly Carte Charitable Trust	—	3,000	3,000
Postlethwaite Foundation	—	2,000	2,000
John Thaw Foundation	—	1,000	1,000
Scroder Charity Trust	—	4,000	4,000
Bursaries:			
Bursaries - The Amber Trust	—	898	898
Bursaries - Future Talent	—	—	—
Harmony Works:			
Sheffield City Council - Harmony Works	—	160,000	160,000
The National Lottery Heritage Fund	—	73,605	73,605
James Neill Trust Fund	—	2,000	2,000
Sheffield Church Burgesses Trust	—	10,000	10,000
Sheffield Town Trust	—	3,000	3,000
The Tramlines Trust	—	750	750
	<u>13,839</u>	<u>356,848</u>	<u>370,687</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Fees paid by Department for Education	217,273	217,273	236,176	236,176
Fees paid by parents	205,594	205,594	171,691	171,691
Artistic Projects	2,000	2,000	—	—
Instrument Hire	1,080	1,080	1,455	1,455
Other income	383	383	5,664	5,664
	<u>426,330</u>	<u>426,330</u>	<u>414,986</u>	<u>414,986</u>

7. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
SMA music activities bank interest	3,190	—	3,190
Harmony Works bank interest	—	351	351
	<u>3,190</u>	<u>351</u>	<u>3,541</u>

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

7. Investment income *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
SMA music activities bank interest	3,389	—	3,389
Harmony Works bank interest	—	2,402	2,402
	<u>3,389</u>	<u>2,402</u>	<u>5,791</u>

8. Costs of raising donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Fundraising costs	6,056	—	6,056

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Fundraising costs	4,510	750	5,260

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Charitable activities	416,008	81,225	497,233
Support costs	6,722	—	6,722
	<u>422,730</u>	<u>81,225</u>	<u>503,955</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Charitable activities	445,708	315,496	761,204
Support costs	6,932	—	6,932
	<u>452,640</u>	<u>315,496</u>	<u>768,136</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2024 £	Total fund 2023 £
Charitable activities	497,233	—	497,233	761,204
Governance costs	—	6,722	6,722	6,932
	<u>497,233</u>	<u>6,722</u>	<u>503,955</u>	<u>768,136</u>

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

11. Net income

Net income is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation of tangible fixed assets	5,866	5,950

12. Independent examination fees

	2024	2023
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	1,800	2,880
Other assurance services	930	960
Other financial services	—	90
	<u>2,730</u>	<u>3,930</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries	348,063	353,428
Social security costs	13,149	10,860
Employer contributions to pension plans	3,612	3,127
Other employee benefits	24,199	18,580
	<u>389,023</u>	<u>385,995</u>

The average head count of employees during the year was 40 (2023: 41). The average number of full-time equivalent employees during the year is analysed as follows:

	2024	2023
	No.	No.
Permanent staff	<u>40</u>	<u>41</u>

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 July 2024

14. Trustee remuneration and expenses

The trustees were not paid or received any benefits from employment with the charity in the year for their role as trustees (2023: £nil). No trustees were reimbursed expenses during the year (2023: £nil).

Emily Pieters, trustee, received payment of £nil in the year for being the project manager of the Harmony Works project (2023: £25,200). Permission was obtained from the Charity Commission to make these payments, as required by the constitution.

No other charity received payment for professional or other services supplied to the charity (2023: £nil).

Key management, consisting of trustees and the Music Director, received total employee benefits of £43,429 during the year (2023: £58,701).

During the year a total of £6,056 (2023: £5,260) was paid to Mary Gayford for freelance work towards the charity's fundraising activities, which was incurred prior to her appointment as a Trustee on 11 July 2024. Further details are given within the Trustees' Report.

15. Transfers between funds

The trustees set aside monies into a designated fund towards the match funding element of the feasibility stage of the Harmony Works project (see the trustees' report for further detail). At the beginning of the year a balance of £742 was being held towards this project. During the year to 31 July 2024 a total of £742 was spent, therefore leaving a balance of £nil as at 31 July 2024.

16. Tangible fixed assets

	Working instruments £	Equipment £	Instrument collection £	Total £
Cost				
At 1 August 2023	109,420	10,040	40,000	159,460
Additions	139	—	—	139
At 31 July 2024	109,559	10,040	40,000	159,599
Depreciation				
At 1 August 2023	47,074	6,302	—	53,376
Charge for the year	4,856	1,010	—	5,866
At 31 July 2024	51,930	7,312	—	59,242
Carrying amount				
At 31 July 2024	57,629	2,728	40,000	100,357
At 31 July 2023	62,346	3,738	40,000	106,084

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

17. Debtors

	2024	2023
	£	£
Trade debtors	23,834	21,298
Prepayments and accrued income	2,368	8,923
Other debtors	8,920	40,874
	<u>35,122</u>	<u>71,095</u>

18. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	2,975	56,584
Accruals and deferred income	6,493	5,281
Social security and other taxes	3,841	3,552
Other creditors	27,047	26,276
	<u>40,356</u>	<u>91,693</u>

19. Creditors: amounts falling due after more than one year

The loan is an unsecured loan from Sheffield City Council to support the expenditure of the Harmony Works project. The loan is repayable in two equal instalments in June 2026 and June 2027. Interest is accrued on a daily basis at 2.55% per annum. In the year to 31 July 2024 the balance of the loan was transferred to Harmony Works Trust.

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £3,612 (2023: £3,127).

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

21. Analysis of charitable funds

Unrestricted funds

	At 1 August 2023 £	Income £	Expenditure £	Transfers £	At 31 July 2024 £
General funds	130,333	441,359	(428,786)	–	142,906
Revaluation reserve	32,279	–	–	–	32,279
	<u>162,612</u>	<u>441,359</u>	<u>(428,786)</u>	<u>–</u>	<u>175,185</u>

	At 1 August 2022 £	Income £	Expenditure £	Transfers £	At 31 July 2023 £
General funds	151,157	432,214	(457,150)	4,112	130,333
Revaluation reserve	32,279	–	–	–	32,279
	<u>183,436</u>	<u>432,214</u>	<u>(457,150)</u>	<u>4,112</u>	<u>162,612</u>

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

21. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 August 2023 £	Income £	Expenditure £	Transfers £	At 31 July 2024 £
Ensemble 360 Academy					
Project	5,000	—	(5,000)	—	—
Harmony Works	(15,618)	50,095	(34,477)	—	—
Improvised					
Compositions Project	—	—	—	—	—
First Generation					
Musicians Project	14,133	16,500	(30,633)	—	—
Student bursery funds	—	250	(250)	—	—
Proms In The					
Playground	—	10,865	(10,865)	—	—
	<u>3,515</u>	<u>77,710</u>	<u>(81,225)</u>	<u>—</u>	<u>—</u>
	At 1 August 2022 £	Income £	Expenditure £	Transfers £	At 31 July 2023 £
Ensemble 360 Academy					
Project	5,000	—	—	—	5,000
Harmony Works	(40,377)	321,352	(297,130)	537	(15,618)
Improvised					
Compositions Project	—	2,000	(2,000)	—	—
First Generation					
Musicians Project	—	35,000	(17,116)	(3,751)	14,133
Student bursery funds	—	898	—	(898)	—
Proms In The					
Playground	—	—	—	—	—
	<u>(35,377)</u>	<u>359,250</u>	<u>(316,246)</u>	<u>(4,112)</u>	<u>3,515</u>

21. Analysis of charitable funds *(continued)*

Ensemble 360 Academy Project

This project is funded by Sheffield Town Trust, The Freshgate Trust Foundation and JG Graves Charitable Trust. The project was due to take place in the financial year 2019-20 but was postponed due to COVID-19. It was being rearranged in 2023-24.

Improvised Compositions Project

The Freshgate Trust Foundation granted £2,000 towards this project aimed to give our students a safe and fun framework for composing their own music, regardless of their level of experience. It culminated in two performances of student compositions at The Victoria Hall and Sheffield Cathedral.

First Generation Musicians Project

During 2022-23 we launched a three year initiative to support children aged between four and eight years old who may not have previously been involved with music-making at home on their journey to learn a musical instrument. The project involves instrument lessons and musicianship classes, support to parents via workshops and videos, subsidised tickets to professional orchestral concerts for young musicians and their families and the purchase of child-sized instruments for their use. It is funded by grants from D'Oyly Carte Charitable Trust, John Thaw Foundation, Philip King Trust, Postlethwaite Music Foundation and Schroder Trust.

Student bursary funds

The Amber Trust provides Music Awards to support blind and partially sighted children and young people, who may also have other disabilities or special educational needs, until the age of 18. Its grant has been transferred to discount the fees of such students at the main Academy. In the year to 31 July 2024 a further bursary of £250 was received from Future Talent towards the tuition fees of a student.

Harmony Works

Money is being raised towards the feasibility stage of the Harmony Works project (see the trustees' report for further detail). The negative fund balance as at 31 July 2023 was supported by a £100,000 loan from Sheffield City Council - see other notes. Expenditure of £34,477 in 2023-24 includes the balance of £29,427 transferred to the Harmony Works Trust on 29 August 2023.

Proms In The Playground

Money was raised from grant providers towards a collaborative music education project focused on brass ensemble playing and group singing directly into Sheffield Primary schools during summer 2023.

Sheffield Music Academy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Tangible fixed assets	100,357	—	100,357
Current assets	115,184	—	115,184
Creditors less than 1 year	(40,356)	—	(40,356)
Creditors greater than 1 year	—	—	—
Net assets	175,185	—	175,185

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	106,084	—	106,084
Current assets	94,550	160,057	254,607
Creditors less than 1 year	(38,022)	(53,671)	(91,693)
Creditors greater than 1 year	—	(102,871)	(102,871)
Net assets	162,612	3,515	166,127

23. Analysis of changes in net debt

	At 1 Aug 2023 £	Cash flows £	At 31 Jul 2024 £
Cash at bank and in hand	183,512	(103,450)	80,062

24. Related parties

Falconer Associates Limited, a company owned by trustee Ian Falconer and his wife, provided pro-bono PR advice of £nil to the Harmony Works project during the year (2023: £840).

There were no other related party transactions other than those noted above.

Accounts

Company Number: 07667445
Registered Charity Number: 1143420

Sheffield Music Academy

Annual Report and Unaudited Financial Statements

For the year ended 31 July 2023

Sheffield Music Academy

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Sheffield Music Academy

Trustees' Report for the year ended 31 July 2023

Sheffield Music Academy (the Academy) is a charitable company limited by guarantee. The Directors are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 July 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and the charities Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland; FRS 102) issued in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Date of incorporation	13 June 2011	
Company registration no.	07667445	
Date of registration	17 August 2011	
Charity registration no.	1143420	
Patrons	Ms E Watts Mr R Wigglesworth	
Trustees during period	Ms A Brumpton Ms T Cooper (Chair) Mr I Falconer (Treasurer) Ms R Mallaband Mr J Payne Ms E Pieters Ms S Unwin	<i>co-opted 05 October 2020, appointed 18 January 2021 re-appointed 18 January 2023 (Chair from 04 October 2022) re-appointed 18 January 2023 (Interim Chair 28 Jun 2021 - 04 Oct 2022) co-opted 05 October 2020, appointed 18 January 2021 co-opted 05 October 2020, resigned 02 January 2024 re-appointed 18 January 2021 co-opted 04 October 2021, appointed 31 January 2022</i>
Music Director	Mr M Cropper	
General Manager & Company Secretary	Miss J O'Neill Mr M Wigley	<i>until 07 October 2023 from 08 October 2023</i>
Registered office	Office 9, Shirley House 31 Psalter Lane Sheffield, S11 8YL	
Accountants	Seven Hills Accountants Limited 57 Burton Street Sheffield, S6 2HH	
Bankers	Virgin Money (formally Yorkshire Bank) 66 Fargate Sheffield S1 2HE	Charities Aid Foundation 25 Kings Hill Avenue Kings Hill, West Malling Kent ME19 4TA

OUR AIMS AND OBJECTIVES

Purpose and objectives

Our charity's purpose, as set out in the objects contained in the company's Articles of Association, is to advance the education of young people of exceptional musical ability or potential who are aged between four and 19 years in all aspects of music and musicianship. In short, Sheffield Music Academy (the Academy) exists to help young musicians fulfil their potential.

We are part of a network run under the auspices of the Department for Education's (DfE's) Music and Dance Scheme, which includes Centres for Advanced Training (CATs) in music and dance, Specialist Residential Schools and Conservatoire Junior Departments.

Our aim is to raise aspirations for young people passionate about any form of music in which they show above average aptitude, not necessarily for a career in music and the performing arts but in order that they may make the most of their skills and talents, develop their self-confidence and in their turn contribute to the musical activities of their schools and colleges, areas and communities. Our aim fully reflects the purposes that the charity was set up to further.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review covers the year ending 31 July 2023 and looks at what we achieved and the outcomes of our work during that period. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help.

The review also helps us ensure our aims, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

Alongside continuing to provide education for talented young musicians, we have focused on finding additional ways of funding that education. The strategies we used to meet our objectives included:

- Ensuring that every student receives individual support, choosing from a number of core and optional classes at our Sheffield-based Academy which runs for 30 Saturdays during term time.
- Employing highly skilled tutors in a wide range of classical instruments.
- Providing regular opportunities to play in orchestras and ensembles.
- Organising workshops, from specialist masterclasses to intense ensemble training, welcoming experts in a range of instruments, music and health, folk music, rock, jazz and music production.
- Participating in external workshops that enable students to benefit from the Academy's close partnership with various music organisations in Sheffield and the surrounding area.
- Raising additional funds to supplement the grants made available through the Music and Dance Scheme. Grants are means tested using the Department for Education's criteria.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

All our charitable activities focus on the education of young people of aged between four and 19 of exceptional musical ability or potential and are undertaken to further our charitable purposes for the public benefit.

Who used and benefited from our services?

Our objects and funding enable us to provide services to students who reside mainly in a geographical area to include South Yorkshire, Derbyshire, Northeast Lincolnshire and North Nottinghamshire.

Trustees' Report (*continued*) for the year ended 31 July 2023

Our main achievements that delivered public benefit in 2022-23 included:

- Providing weekly lessons to 123 young musicians in the main Academy (delivered via 200 individual sessions, 40 classes, senior and junior choir, various groups including our chamber orchestra and a concert band of 24 students).
- Continuing to recruit staff of the highest calibre from around the UK.
- Attracting a greater number of prospective student applications from students keen to work with tutors of the highest calibre.
- Expanding our team to include additional administrative support.
- Continuing our busy concert series, presenting ten public performances at venues across South Yorkshire.

ACADEMIC AND ARTISTIC HIGHLIGHTS OF THE YEAR ENDED 31 JULY 2023

During 2022-23 we welcomed 36 new students into the main Academy, including one Ukrainian refugee (whose place was funded by our sponsor GRI Group) and said farewell to 11 students who graduated at the end of the previous academic year. We were also joined by five new members of staff, who helped us to maintain our standards of musicianship and teaching.

Supporting First Generation Musicians

We recognise that barriers to children taking up a musical instrument and continuing with it are not purely financial, but also concern levels of family confidence in supporting their children in music making. And learning an instrument involves much individual practice at home, which can be greatly enriched by concert attendance, listening to repertoire at home, and benefits from informal performing for family and friends. In particular, we believe that the best ambassadors for taking up and sticking with a musical instrument are our current students, and that many of the barriers to accessing music-making dissolve when children see other children just like them perform.

In 2023 we therefore launched the *Supporting First Generation Musicians* project, a three-year initiative to support children who may not have previously been involved with music-making at home on their journey to learn a musical instrument.

During 2022-23 the funds we raised enabled us to:

- provide bursaries to 50 first generation musicians, subsidising their weekly instrumental lessons and musicianship group classes
- provide subsidised tickets for students and their families to attend their first major professional concert. In 2022-23 these included the visits to Sheffield City Hall by the Romanian Philharmonic Orchestra with Maxim Vengerov and the Halle Orchestra with Nicola Benedetti.
- begin to develop a new learning scheme that will enable parents to develop a musical life of their own alongside their child. The scheme will aid supportive practice at home and encourage parents to become part of our musical community groups and choirs. The resources that we are developing include workshops providing practical and advice on how to optimise home music practice, and how parents and children can learn to play together. The workshops will be made into accessible video resources forming an archive of information and advice which parents and others can refer to as their child progresses.

We also challenged our older students (aged 15-18), supported by SMA Alumni and students from the Royal Birmingham Conservatoire, to create an outreach programme showcasing rare breed instruments which they would deliver themselves as 'performances by young people for young people'. And our students also created the publicity artwork themselves, making the concerts feel immediately appealing to younger children.

The programme reached over 500 children and culminated in performances in the last week of the summer term of Prokofiev's 'Peter and the Wolf' at Sheffield Children's Hospital, in Sheffield primary schools, and Sheffield Cathedral. We also performed at the Buxton Fringe Festival, winning the Buxton Fringe Award for best show and a shout out on Classic FM.

Many of the children taking part told us that they were inspired to further engage with music through seeing young people just like them creating these musical worlds.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2023

Infant Academy

In 2017-18 we began to pilot an infant scheme for budding young musicians aged between six and eight years old. We are delighted that, after just six years, the Infant Academy has moved from a pilot project with 24 students to a fully integrated part of our offer that now accepts students from as young as four years old. In 2022-23 it had 90 students drawn from some 37 different schools across the region and it continued to deliver fantastic music provision, offering some classes during the week as well as Saturday afternoons.

Other highlights

- We launched *Project 167*. There are 167 hours between our students' weekly instrument lessons. By focusing on the time between lessons we have been exploring ideas to support students and their parents to make the most of their practice. A notebook has been the traditional way for instrumentalists to do this, but we have begun to produce videos that can be viewed on a weekly basis, recapping lessons to remind students and inform parents of material covered and techniques that students need to develop.
- We gave a celebration concert for the King's Coronation, performing the Coronation Anthems by Handel with all three choirs and including singers from the wider community.
- Our masterclass programme included visits by international violist Matthew Jones, who worked specifically on student posture, and Ensemble 360 players Adrian Wilson (oboe) and Robert Plane (clarinet), Head of Woodwind Performance at the Royal Welsh College of Music and Drama.
- We continued to grow our compositional expertise through a variety of showcase events, and one of our senior students went on to win the National Centre for Early Music composition prize (under 18), later broadcast on Radio 3, from the Stoller Hall.
- Young performers from the Academy gave pre-concert recitals in the foyer of the City Hall before each of the concerts in the Sheffield International Concert Season.
- All our 2022-23 graduates went on to study in higher education, including those with full scholarships to conservatoires and places secured at Oxbridge to read music.
- The annual Infants and Juniors joint showcase brought together around 130 of our young students under 12 years old, confirming that the future is bright!

FINANCIAL REVIEW OF THE YEAR ENDED 31 JULY 2023

	2022-23			2021-22		
	Income £	Expenditure £	Net movement before transfers £	Income £	Expenditure £	Net movement before transfers £
Core activities	470,112	476,266	(6,154)	445,763	414,956	30,807
Harmony Works *	321,352	297,130	24,222	49,340	143,919	(94,579)
Total	791,464	773,396	18,068	495,103	558,875	(63,772)

* a more detailed commentary on the Harmony Works project follows in a separate section that begins at page 7 below

Core activities

Our total income for core activities in the 12-month period was £470,112, some £24,349 (5 per cent) more than we received in 2021-22. The increase was mostly due to 11 more students being enrolled in the main and infant academies than the previous year, and our success in more than doubling the amount of income we receive from non-DfE grants and donations, a promising early return on the Board's decision to investment in a small fundraising team during the year.

We are particularly proud that grants from the DfE, together with the bursaries that we are able to offer from our own funds, mean that some 73 per cent of the students in the Main Academy receive some sort of support with their fees.

Our total expenditure on core activities was £476,266, some £61,310 (15 per cent) more than we spent in the same period last year. The increase was mostly due to the six extra monthly staff we now employ (41 versus 35) to accommodate the rise in student numbers and the projects funded by new grants and donations. We also invested in an updated and simplified website and are particularly pleased with the work that local photographer Will Roberts has done for us.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2023

As a result of these year-on-year changes in income and expenditure, the overall net movement in our funds from unrestricted core activities was a small decrease of £6,154 before transfers.

Principal funding sources

The principal funding sources for the core activities of the charity are grants from the DfE's Music and Dance Scheme, and fees paid by parents and guardians of the Academy's students. While we remain heavily reliant on income from the Scheme (50 per cent of our core income in 2022-23, excluding grants towards the Harmony Works project), that dependence is reducing (it was 72 per cent of our income in 2015-16) because of concerted efforts to increase our sources of voluntary income and other grants. We are extremely grateful for the continued support of the Friends of Sheffield Music Academy, our business sponsors and local grant giving trusts.

Investment Policy

The donations we receive enable the Academy to maintain its reserves for core activities at a prudent level. Until we have sufficient funds for long-term investment, our reserves will continue to be split between two separate banks to ensure they remain protected by the Financial Services Compensation Scheme.

Reserves Policy

The trustees are risk averse as regards the Academy's reserves and aim to maintain sufficient free reserves in unrestricted funds (net current assets and assets that can be readily converted to cash) to ensure that the Academy's main operations can continue for a period of six months, or 26 weeks.

The annual operating cost of our core activities in 2023-24 is budgeted at £465,000. Net current assets in general funds amounted to £55,786 on 31 July 2023 and we held fixed asset instruments with a net book value of £102,346 that we considered to be readily convertible to cash, giving free reserves in unrestricted funds of £158,132, sufficient to cover our main operations for 17.7 weeks.

It was perhaps inevitable during these challenging economic times that we were unable to maintain our free reserves at their desired level during 2022-23, but our fundraising efforts during the year have already secured new funding for future years that means we should be able to return our free reserves to their previous levels by the end of 2023-24.

Going Concern

The Board is reassured that the Academy almost continued to live within its means during 2022-23, with only a small (1.3%) shortfall of income over expenditure. We have approved a balanced budget for the 2023-24 financial year and our latest forecast, based on the outturn to January 2024, confirms we remain on target to deliver it. The DfE has confirmed its support for the Music and Dance Scheme until July 2024, and we are satisfied that should the DfE grant funding no longer be available beyond 31 July 2024, the Academy's main operations could continue for at least six months, i.e., until February 2025.

For these reasons, the Board continues to adopt the going concern basis in preparing the financial statements.

The Board also considers that the ongoing economic uncertainty resulting from Brexit, and the wars in Ukraine and the Middle East are unlikely to have a material impact upon the Academy's ability to achieve its charitable objectives in the next 12 months. Nevertheless, the trustees and the Music Director will continue to monitor and respond to the risks of operating the Academy during these volatile times on an ongoing basis. The Academy has robust business continuity plans, risk management and financial management processes and so is well placed to respond to future uncertainty in a timely manner.

Events after the Reporting Period

The only significant post balance sheet event is the establishment on 29 August 2023 of the Harmony Works Trust, a new charitable incorporated organisation, which will shortly acquire the assets and liabilities of the Harmony Works project, including the obligation to repay the £100,000 loan and accumulated interest which we took on behalf of the project from Sheffield City Council.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Academy is a charitable company limited by guarantee. The company was established and is governed under Articles of Association that established the objects and powers of the charitable company and are based upon the Charity Commission's model with only very slight modification. In the event of the company being wound up its members are each required to contribute an amount not exceeding £1.

Patrons

We have two Patrons supporting Sheffield Music Academy:

- Elizabeth Watts is one of Britain's leading sopranos and is much in demand throughout the world as a recitalist and concert singer. She was a chorister at Norwich Cathedral and studied archaeology at Sheffield University before attending the Royal College of Music.
- Ryan Wigglesworth is a composer, conductor and pianist and Chief Conductor of the BBC Scottish Symphony Orchestra. He was born in Wincobank, Sheffield and attended King Edward VII School and was a Cathedral choirboy.

Recruitment and Appointment of Board of Trustees

There must not be less than three trustees but there is no maximum number. Trustees must retire after three years' service but may offer themselves for re-election or further co-option.

A person qualified and wishing to become a trustee must be aged 18 years or over and must either be recommended by the trustees or be nominated for election by a member of the Charity. The trustees may co-opt individuals to the Board during the year for their particular expertise (e.g., financial or legal advice) through an ordinary resolution of the Board, but a co-opted trustee holds office only until the next AGM.

Every trustee must sign a declaration of willingness to act as a charity trustee of the Charity before they are eligible to vote at any Board meeting.

The Trustees of the Charity for the year ended 31 July 2023 are listed on page 1.

In June 2021 Trisha Cooper temporarily handed over her duties as Chair to Ian Falconer who acted as Interim Chair until 04 October 2022, i.e., including the first two months of the period covered by these financial statements.

Except for Emily Pieters' work as Project Director of the Harmony Works project (*see note 14 and below*), all trustees give of their time freely. No other trustee remuneration or expenses were paid in the year, and no other trustees registered a conflict of interest during the year.

Organisational structure

The SMA Board met three times during 2022-23. At its meetings the trustees agree the broad strategy and areas of activity for the Charity, including consideration of grant making, investment, reserves and risk management policies and performance.

Throughout 2022-23 we have continued to supplement our Board meetings with regular informal catchups with management, supporting the Music Director and his team as they determined the Academy's response to the constantly changing external environment. We are grateful for the considerable extra time that individual trustees have invested to support the charity during this period.

The day-to-day administration of the Academy's activities, including its curriculum, staffing and student recruitment is delegated to the Music Director and his small administrative team.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2023

Risk Management

The trustees keep the major risks to which the charity is exposed under regular review and have established systems and procedures to manage them.

The trustees consider that major financial risk facing the Academy is the unsecured loan from Sheffield City Council to provide cashflow support to the Harmony Works project. If fundraising for the project is unsuccessful, then it will need to be repaid from the Academy's own funds in June 2026 and June 2027. The trustees are satisfied however, having regard to the Financial Strategy 2022-27, that so long as its Reserves Policy continues to be adhered to, there will be sufficient free reserves in unrestricted funds to cover the repayment of the loan.

Other financial risks continue to be the possible loss or reduction in the Academy's major source of core funding (i.e., the grant provided by the Music and Dance Scheme), its over-reliance on that one source of funding and any other unfunded liabilities arising from the Harmony Works project. Donations and grants received during the year helped to mitigate these risks, and the trustees continue to review alternative future strategies.

The most significant non-financial risks are:

- *that the Academy fails to meet its legal responsibilities concerning safeguarding, data protection and employment law, and that it fails to protect its IT systems and data.* The Board includes trustees with practical experience of safeguarding and legal and data protection issues and has commissioned independent IT and estates advice that will help mitigate these risks.
- *That the Academy's teaching premises are not accessible nor fit for future purpose, in terms of capacity and quality.* In the short term we have been able to hire alternative premises for face-to-face ensemble tuition when our usual premises have not been available. And in the longer term these risks are being addressed by the Harmony Works project, which has its own Project Risk Register. The trustees have sought advice and input from organisations and individuals who have expertise and track record in running significant capital projects and are establishing a new charitable entity and trading subsidiary for the delivery of the project, with the relevant expertise and track record.

THE HARMONY WORKS PROJECT

In 2017 the Sheffield Music Academy joined forces with the Sheffield Music Hub to explore the creation of a permanent home for music education in the city. Both organisations are serving increasing numbers of children and young people, but each relies on renting temporary spaces, spread across the Sheffield City Region; none of which are designed for music or fit for expansion.

Harmony Works is a bold and compelling vision to create an inspirational new centre for music education and performance and a collaboration between partners which will touch the lives of thousands of children and young people in the Sheffield City Region:

- A permanent and shared home would provide a highly visible, accessible, physical focus for music education, open to the public and with a full array of practice, rehearsal, and performance spaces not available elsewhere in the region.
- By facilitating closer working and collaboration, The Harmony Works partnership will expand access to music teaching to reach as many children and young people as possible.

Article 4.8 of our Articles of Association allows the Academy to acquire or improve property of any kind in furtherance of our charitable objectives. Since 2017 we have exercised those powers to act as Accountable Body for the Harmony Works project, administering its funding on behalf of the project's partners. During 2023-24 we expect to transfer the 'accountable body' role to the Harmony Works Trust, a charitable incorporated organisation set up for that purpose and registered on 29 August 2023 with the following objects:

- to advance education in and promote public appreciation of the performing arts, in particular but not limited to, music; and
- to acquire, preserve, restore and maintain the building of historic and architectural interest situated in Sheffield currently known as Canada House.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2023

In 2022-23 our small but highly skilled and committed team of trustees, staff and partner organisations continued to make exciting progress with the project:

- In August 2022 Brass Bands England and Music In The Round formally joined the partnership. Both are National Portfolio Organisations in receipt of regular funding from Arts Council England. Several other national and local music charities have also expressed an interest in joining the project.
- In September 2022 Sheffield City Council formally adopted the Sheffield Cultural Collective's Culture Strategy for Sheffield, which includes Harmony Works as one of four pivotal projects. The Strategy recognizes that every individual and every community in Sheffield thrives when culture, music, art, and creativity is placed at the heart of the city's strategic development.

Canada House

Having previously identified Canada House as a suitable heritage building in the heart of Sheffield city centre to be the project's home and secured initial funding from the Architectural Heritage Fund to undertake viability work, we secured an option to purchase Canada House in September 2019 and exchanged contracts with its owners for its purchase in January 2021. And in October 2021 we were awarded £1.6 million towards the capital cost of the Harmony Works project from the Government's Levelling Up Fund, being one of three projects withing Sheffield City Council's successful Gateway bid, designed to bring economic benefits to the Castlegate Quarter and help bind its communities together.

During 2022-23:

- in November 2022 we submitted a full application to the National Lottery Heritage Fund's (NLHF's) Heritage Enterprise Scheme, jointly with Sheffield City Council. In March 2023 the project was awarded £250,000 of development funding by NLHF, enabling us to deliver the additional planning and development required for a delivery phase application which we hope to make early in 2024, and providing resources for the additional fundraising activity and survey work that the project requires. If successful, the delivery phase application could unlock a further £4.5 million of capital funding.
- in November 2022 the architectural plans prepared by our team of professional advisors received Planning and Listed Buildings Consent and we concluded RIBA Stage 3 in January 2023.

And since the year-end:

- In December 2023 we were awarded a grant of £200,000 from The Wolfson Foundation towards the refurbishment of Canada House.
- In January 2024 we submitted an Outline Business Case to the South Yorkshire Mayoral Metropolitan Combined Authority (SYMCA) for £2 million of Gainshare Funding towards the capital costs of the whole development, and initial fees and works to the ground floor spaces to ensure they are accessible and safe. The outcome will be known in March 2024.

Although the project has benefited from significant financial support from Sheffield City Council, the Architectural Heritage Fund and the National Lottery Heritage Fund, and the generous pro bono support of locally based international legal advisers CMS LLP and others, it still requires a material injection of funding to be able to complete the next stages. Only then will the newly established Harmony Works Trust be able to complete the purchase of the building using Levelling Up Fund monies. Full occupation therefore remains unlikely before 2027.

SMA's support for Harmony Works' educational activities

In July 2023 the project funded a performance of Prokofiev's 'Peter and the Wolf' at Sheffield Children's Hospital as part of the Academy's 'Supporting First Generation Musicians' project (*see page 3 above*).

And since the year end, In September 2023 SMA and its partners worked together to deliver the 'Proms in the Playground' programme, a very successful week of performances funded by Arts Council England that engaged 900 performers and 180 parents and acted as a proof of concept for the Harmony Works collaboration.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2023

Financial Review of the Project

We received £321,352 on behalf of the Harmony Works project during the financial year, comprising restricted funds from Sheffield City Council, the National Lottery Heritage Fund and several local Sheffield trusts, and the value to the project of the pro-bono work undertaken on our behalf by CMS LLP and others.

Project expenditure during the year was £297,130, resulting in a net increase of £24,222 before transfers to designated and restricted funds.

By 31 July 2023 we had spent a total of £652,514 on behalf of the Harmony Works project since it began in 2017, some £14,876 more than the £637,638 the project had raised from all sources by that date (including SMA's own contribution). The shortfall was funded by an unsecured loan of £100,000 that we took on behalf of the project from Sheffield Council in June 2022, which is repayable in two equal instalments in June 2026 and June 2027. If the project stalls before this liability transfers to the Harmony Works Trust and cannot be repaid from future fundraising, it will be repaid from funds which the Academy has otherwise budgeted to spend on Harmony Works in its long-term financial plan 2022-27.

The restricted funds that we hold on behalf of the Harmony Works project are kept in a dedicated bank account, separate from the Academy's two other business accounts.

Structure, Governance and Management of the Project

In accordance with Article 8.1.2 of the Academy's Articles of Association, the SMA Board has established a working group to oversee the Harmony Works project. Known as the Development Board, it is advisory, with no delegated powers except the permission to approve expenditure within budgets already determined by the SMA Board which continues to act as the project's Accountable Body.

The Development Board is chaired by Ian Falconer (SMA Treasurer), supported by Professor Karen Burland (Chair of the Sheffield Music Hub), and independent advisors David Hobson and Denise Edwards. Attendees include Emily Pieters (Project Director), the Academy's Music Director and the Hub's Head of Music Education. The Development Board met seven times during 2022-23.

The Academy's Instruments and Articles do not provide for payments to its trustees without the approval of the Charity Commission. In May 2020, having first received independent legal advice that it could satisfactorily address all the factors outlined in Charity Commission Guidance Note CC29 (Conflicts of interest: a guide for charity trustees) the Board agreed to retain one of its trustees, Emily Pieters, to act as Project Director of the Harmony Works project. The Charity Commission gave its consent to these arrangements, noting the trustees had made a strong case as to why this was in the best interests of the charity.

In particular, the Commission noted that:

- Emily would withdraw from any discussion of the trustees which has any bearing on the terms of her contract to provide project management services or the acceptability of the standard of service provided.
- She would not vote on any of those matters and will not be included when deciding whether a quorum exists at a meeting to discuss them.
- In accordance with the Academy's Conflicts of Interest Policy:
 - any payments to Emily would be disclosed in the Academy's Annual Report and Financial Statements
 - She had agreed to declare the existence of this contract in her Trustee Declaration of Interest, published on the Academy's website.

Day-to-day administration of the Harmony Works project is delegated to the Project Director, supported by a small project team.

THE ACADEMY'S PLANS FOR 2023-24 AND BEYOND

Looking to the future, the Sheffield Music Academy has plans to:

- Continue to work closely with the DfE Music and Dance Scheme as it improves processes for greater efficiency and transparency.
- Continue to grow the standard and numbers of student applications, and to further strengthen our teaching staff.
- Increase the provision of 'rare breed' instruments such as the oboe, bassoon, French horn, and double bass. These instruments are significant forces in large and well-loved orchestral works, as well as key in smaller ensembles and therefore it is vital that we offer them to tomorrow's professional musicians. They are beautiful to see and hear and we know that offering a wide range of sounds to younger children (beyond recorder!) fires their musical imaginations and creativity.
- Build on the success of the format of the 'Peter and Wolf' performances in 2022-23 and strengthen our links to industry by developing a programme which will culminate in a performance of Beethoven's Symphony no. 9 in July 2024.
- Focus our performance development activities on providing more students with chamber music coaching and further developing the *167 Project* theme.
- Further develop our new learning scheme for parents and children, part of the *Supporting First Generation Musicians* project, including the completion of accessible video resources forming an archive of information and advice to support student progression.
- Expand and develop the 'art corner,' which was established during 2022-23 and is proving extremely popular with students and producing some wonderful graphics for publicity materials.
- Improve our financial resilience by building our business planning and long-term strategies and continuing to grow our public profile. Our fundraising will focus on:
 - some large, visionary, big picture projects supporting the Beethoven Symphony no. 9 Project.
 - In the process of developing an exciting bid for the Paul Hamlin Foundation
 - Approaching organisations with support to cover core costs.
- Develop our partnership with the South Yorkshire Mayoral Combined Authority as it looks to build on the work of the four music hubs and their music education partners in the region.
- Continue to build towards the full realisation of our Harmony Works vision.

Trustees' Report (*continued*) for the year ended 31 July 2023

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of Sheffield Music Academy for the purposes of company law) are responsible for preparing the Trustees' Annual Report and 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 accounting period, 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 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the charitable company will not 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 irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy's website.

The Trustee's Annual Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The company is currently exempt from a statutory audit because its annual gross income does not exceed £1 million.

Approved by the Trustees of Sheffield Music Academy on 22 February 2024 and signed on their behalf by:



Trisha Cooper
Chair
Sheffield Music Academy

Independent Examiner's report to the Trustees of Sheffield Music Academy ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 July 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and 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 statement

Since the Charity'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 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.

Signed: *S Lightfoot*
Sarah Lightfoot, FCA DChA
Seven Hills Accountants Limited
57 Burton Street
Sheffield, S6 2HH

Date: 26 February 2024

Statement of Financial Activities (incorporating the income and expenditure account)
For the year ended 31 July 2023

		SMA Unrestricted funds £	SMA Restricted funds £	Harmony Works Restricted funds £	Total Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
	Notes						
Income from:							
Grants and donations							
SMA music activities	2	13,839	37,898	-	37,898	51,737	22,130
Harmony Works	17a	-	-	318,950	318,950	318,950	49,132
Charitable activities							
SMA music activities	3	414,986	-	-	-	414,986	423,126
Investments - bank interest							
SMA music activities		3,389	-	-	-	3,389	407
Harmony Works		-	-	2,402	2,402	2,402	208
Other - profit on sale of assets		-	-	-	-	-	100
		<u>432,214</u>	<u>37,898</u>	<u>321,352</u>	<u>359,250</u>	<u>791,464</u>	<u>495,103</u>
Expenditure on:							
Fundraising costs		4,510	750	-	750	5,260	-
Charitable activities							
SMA music activities	4	452,640	18,366	-	18,366	471,006	414,956
Harmony Works	17b	-	-	297,130	297,130	297,130	143,919
		<u>457,150</u>	<u>19,116</u>	<u>297,130</u>	<u>316,246</u>	<u>773,396</u>	<u>558,875</u>
Net income/(expenditure)		(24,936)	18,782	24,222	43,004	18,068	(63,772)
Transfers	13	4,112	(4,649)	537	(4,112)	-	-
Net movement in funds		<u>(20,824)</u>	<u>14,133</u>	<u>24,759</u>	<u>38,892</u>	<u>18,068</u>	<u>(63,772)</u>
Total funds brought forward		183,436	5,000	(40,377)	(35,377)	148,059	211,831
Total funds carried forward		<u><u>162,612</u></u>	<u><u>19,133</u></u>	<u><u>(15,618)</u></u>	<u><u>3,515</u></u>	<u><u>166,127</u></u>	<u><u>148,059</u></u>

Sheffield Music Academy

Balance Sheet
As at 31 July 2023

	Notes	SMA Unrestricted funds £	SMA Restricted funds £	Harmony Works Restricted funds £	Total Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Fixed assets	7	106,084	-	-	-	106,084	106,850
Current assets							
Debtors	8	41,613	-	29,482	29,482	71,095	39,870
Cash at bank and in hand		52,937	19,133	111,442	130,575	183,512	165,526
Total current assets		94,550	19,133	140,924	160,057	254,607	205,396
Creditors: amounts falling due within one year	9	(38,022)	-	(53,671)	(53,671)	(91,693)	(63,866)
Net current assets		56,528	19,133	87,253	106,386	162,914	141,530
Total assets less current liabilities		162,612	19,133	87,253	106,386	268,998	248,380
Creditors: amounts falling due after more than one year	10	-	-	(102,871)	(102,871)	(102,871)	(100,321)
Total net assets		162,612	19,133	(15,618)	3,515	166,127	148,059
Represented by:							
Funds of the Charity							
General Funds		129,591	-	-	-	129,591	149,878
Designated funds	11	742	-	-	-	742	1,279
Revaluation Reserve	12	32,279	-	-	-	32,279	32,279
Unrestricted Funds Total		162,612	-	-	-	162,612	183,436
Restricted Funds	13		19,133	(15,618)	3,515	3,515	(35,377)
Total Funds		162,612	19,133	(15,618)	3,515	166,127	148,059

For the year ending 31 July 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The director's acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime.

Approved by the Trustees of Sheffield Music Academy on 22 February 2024 and signed on their behalf by:



Trisha Cooper
Chair
Sheffield Music Academy

Statement of Cash Flows
As at 31 July 2023

		2023	2022
		£	£
Cash flows from operating activities			
Net income/(expenditure) for the year (as per the SOFA)	18,068	(63,772)	
Adjustments for:			
(Increase)/decrease in debtors	(31,225)	(5,894)	
Increase/(decrease) in creditors (excluding bank loan)	27,827	12,753	
Investment income	(5,791)	(615)	
Loan interest payable	2,550	321	
Depreciation	5,950	4,661	
(Profit)/Loss on disposal of fixed assets	-	(100)	
Net cash provided by/(used in) operating activities		17,379	(52,646)
Cash flows from investing activities			
Investment income	5,791	615	
Purchase of fixed assets	(6,834)	(16,748)	
Proceeds from sale of fixed assets	1,650	3,000	
Net cash (used in)/provided by investing activities		607	(13,133)
Cash flows from financing activities			
Cash inflows from new borrowing	-	100,000	
Net cash provided by/(used in) financial activities		-	100,000
Change in cash and cash equivalents		17,986	34,221
Cash and cash equivalents at the beginning of the year		165,526	131,305
Cash and cash equivalents at the end of the year		<u>183,512</u>	<u>165,526</u>

Notes to the Accounts
For the year ended 31 July 2023

1 Accounting Policies

(a) General

Sheffield Music Academy is a charitable company in the United Kingdom limited by guarantee. In the event that the charity is wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and with the Charities Act 2011.

Sheffield Music Academy meets the definition of a public benefit entity under FRS 102. The financial statements are prepared under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £.

(b) Income

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

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

(c) Donated goods and services

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(d) Expenditure and irrecoverable VAT

Expenditure is recognised 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.

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

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(f) Tangible fixed assets

Depreciation has been calculated to write down the cost or valuation, less estimated residual value, of all tangible fixed assets over their expected useful lives, as follows:

Instruments collection	At valuation
Working instruments	10 years straight line or no depreciation
Office equipment	5 years straight line

The Trustees have undertaken to carry out an impairment review of the Instruments collection each year, to ensure no significant factor has affected the value during the year. In addition to this, all the instruments in the Instruments collection will be revalued by an expert every 3-5 years with any movement in the valuation being reflected in the asset valuation and the revaluation reserve.

(g) Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

(h) Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the Accounts - continued
For the year ended 31 July 2023

1 Accounting Policies - continued**(i) Financial instruments**

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 loans which are subsequently measured at amortised cost using the effective interest method.

(j) Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the organisation without further specified purpose and are available as general funds.

Designated funds are funds set aside at the discretion of the trustees for a specific project.

Restricted funds are to be used for specific purposes as laid down by the funder.

(k) Taxation

As a charity, Sheffield Music Academy is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

(l) Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

(m) Going concern

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

2 SMA music activities - income from grants and donations

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Concert Donations	3,056	-	3,056	786	-	786
Other Donations	3,283	-	3,283	2,566	10,000	12,566
GRI Group	7,500	-	7,500	7,500	-	7,500
The D'Oyly Carte Charitable Trust	-	3,000	3,000	-	-	-
The Freshgate Trust Foundation	-	2,000	2,000	-	-	-
John Thaw Foundation	-	1,000	1,000	-	-	-
Philip King Trust	-	25,000	25,000	-	-	-
Postlethwaite Foundation	-	2,000	2,000	-	-	-
Schroder Charity Trust	-	4,000	4,000	-	-	-
<u>Bursaries</u>						
The Amber Trust	-	898	898	-	1,278	1,278
	<u>13,839</u>	<u>37,898</u>	<u>51,737</u>	<u>10,852</u>	<u>11,278</u>	<u>22,130</u>

3 SMA music activities - income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Fees paid by Department for Education	236,176	-	236,176	252,773	-	252,773
Fees paid by parents	171,691	-	171,691	155,419	-	155,419
Artistic Projects	-	-	-	13,619	-	13,619
Instrument Hire	1,455	-	1,455	1,315	-	1,315
Other income	5,664	-	5,664	-	-	-
	<u>414,986</u>	<u>-</u>	<u>414,986</u>	<u>423,126</u>	<u>-</u>	<u>423,126</u>

Notes to the Accounts - continued
For the year ended 31 July 2023

4 SMA music activities - expenditure on charitable activities

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Permanent staff costs	5	363,916	-	363,916	302,254	-	302,254
Temporary staff and deputies		6,040	12,540	18,580	35,231	-	35,231
Academic costs		27,776	3,000	30,776	29,987	-	29,987
Staff training		672	-	672	282	-	282
Rent and premises costs		16,063	-	16,063	14,969	-	14,969
Artistic project expenditure		2,111	1,052	3,163	5,164	-	5,164
Administration costs		12,810	1,774	14,584	7,978	-	7,978
Marketing		1,592	-	1,592	2,242	-	2,242
Insurance		1,840	-	1,840	1,639	-	1,639
Depreciation	7	5,950	-	5,950	4,661	-	4,661
Bank charges		97	-	97	215	-	215
Bad debts written off/provision		6,841	-	6,841	4,088	-	4,088
Independent examination fee	6	2,880	-	2,880	2,100	-	2,100
Department for Education grant audit		960	-	960	1,230	-	1,230
Payroll services (including pension charges)		3,092	-	3,092	2,916	-	2,916
Total charitable expenditure		452,640	18,366	471,006	414,956	-	414,956

5 Staff Costs

	2023 £	2022 £
Salaries	353,428	306,602
Employer's national insurance contributions	10,860	9,108
Employer's pension contributions	3,127	2,669
	<u>367,415</u>	<u>318,379</u>

The average number of monthly employees was 41 (2022: 35). No employee received emoluments of more than £60,000 in the year.

6 Fees paid to independent examiner's organisation

	2023 £
Independent examination fee	<u>2,880</u>
Other fees paid:	
Department for Education grant audit	960
Software licence	90
	<u>1,050</u>

7 Tangible Fixed Assets

	Instrument collection £	Working instruments £	Office equipment £	Total £
Cost or Valuation				
As at 1 August 2022	40,000	107,769	6,507	154,276
Additions	-	3,751	3,533	7,284
Disposals	-	(2,100)	-	(2,100)
As at 31 July 2023	<u>40,000</u>	<u>109,420</u>	<u>10,040</u>	<u>159,460</u>
Depreciation				
As at 1 August 2022	-	42,134	5,292	47,426
Depreciation charge	-	4,940	1,010	5,950
As at 31 July 2023	<u>-</u>	<u>47,074</u>	<u>6,302</u>	<u>53,376</u>
Net Book Value				
As at 31 July 2023	<u>40,000</u>	<u>62,346</u>	<u>3,738</u>	<u>106,084</u>
As at 31 July 2022	<u>40,000</u>	<u>65,635</u>	<u>1,215</u>	<u>106,850</u>

Working instruments include instruments that are considered to hold their value - no depreciation has been charged on these assets.

Notes to the Accounts - continued
For the year ended 31 July 2023

8 Debtors		SMA	Harmony Works	Total	Total
		Unrestricted	Restricted	Funds	Funds
		funds	funds	2023	2022
		£	£	£	£
Fees payable by Department for Education		6,092	-	6,092	12,750
Fees payable by parents		15,206	-	15,206	21,616
Other debtors		11,392	29,482	40,874	689
Prepayments		8,923	-	8,923	4,815
		<u>41,613</u>	<u>29,482</u>	<u>71,095</u>	<u>39,870</u>
2022: Prior year fund split		<u>39,870</u>	<u>-</u>		<u>39,870</u>
9 Creditors: amounts falling due within one year		SMA	Harmony Works	Total	Total
		Unrestricted	Restricted	Funds	Funds
		funds	funds	2023	2022
		£	£	£	£
Trade creditors		2,913	53,671	56,584	30,831
July Salaries		25,504	-	25,504	23,107
Other taxes and social security		3,552	-	3,552	2,647
Other creditors		772	-	772	574
Accruals		5,281	-	5,281	6,707
		<u>38,022</u>	<u>53,671</u>	<u>91,693</u>	<u>63,866</u>
2022: Prior year fund split		<u>35,834</u>	<u>28,032</u>		<u>63,866</u>
10 Creditors: amounts falling due after more than one year		SMA	Harmony Works	Total	Total
		Unrestricted	Restricted	Funds	Funds
		funds	funds	2023	2022
		£	£	£	£
Loans		-	102,871	102,871	100,321
		<u>-</u>	<u>102,871</u>	<u>102,871</u>	<u>100,321</u>
2022: Prior year fund split		<u>-</u>	<u>100,321</u>		<u>100,321</u>

The loan is an unsecured loan from Sheffield City Council to support the expenditure of the Harmony Works project. The loan is repayable in two equal instalments in June 2026 and June 2027. Interest is accrued on a daily basis at 2.55% per annum.

11 Designated funds	Note	Brought forward	Income	Expenditure	Transfers	Carried forward
		£	£	£	£	£
Harmony Works	17	1,279	-	-	(537)	742
		<u>1,279</u>	<u>-</u>	<u>-</u>	<u>(537)</u>	<u>742</u>

The trustees set aside monies towards the match funding element of the feasibility stage of the Harmony Works project (see the trustees' report for further detail). £537 was transferred into the restricted fund for the match funding of expenditure in the financial year, leaving a balance of £742 carried forwards for future costs.

Prior year comparison	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
Harmony Works	19,667	-	-	(18,388)	1,279
	<u>19,667</u>	<u>-</u>	<u>-</u>	<u>(18,388)</u>	<u>1,279</u>

The trustees set aside a further £20,000 in the 21/22 financial year towards the match funding element of the feasibility stage of the Harmony Works project (see the trustees' report for further detail). £38,388 was transferred into the restricted fund for the match funding of expenditure in the financial year, leaving a balance of £1,279 carried forwards for future costs.

Notes to the Accounts - continued
For the year ended 31 July 2023

12 Revaluation reserve

	2023 £	2022 £
Revaluation reserve brought forward	32,279	32,279
Revaluation reserve carried forward	<u>32,279</u>	<u>32,279</u>

13 Restricted funds

	Note	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Ensemble 360 Academy Project		5,000	-	-	-	5,000
Improvised Compositions Project		-	2,000	(2,000)	-	-
First Generation Musicians Project		-	35,000	(17,116)	(3,751)	14,133
Student bursary funds		-	898	-	(898)	-
SMA total restricted funds		5,000	37,898	(19,116)	(4,649)	19,133
Harmony Works restricted funds	17	(40,377)	321,352	(297,130)	537	(15,618)
		<u>(35,377)</u>	<u>359,250</u>	<u>(316,246)</u>	<u>(4,112)</u>	<u>3,515</u>

Ensemble 360 Academy Project

This project is funded by Sheffield Town Trust, The Freshgate Trust Foundation and JG Graves Charitable Trust. The project was due to take place in the financial year 2019-20, but was postponed due to COVID-19. It is being rearranged in 2023-24.

Improvised Compositions Project

The Freshgate Trust Foundation granted £2,000 towards this project aimed to give our students a safe and fun framework for composing their own music, regardless of their level of experience. It culminated in two performances of student compositions at The Victoria Hall and Sheffield Cathedral.

First Generation Musicians Project

During 2022-23 we launched a three year initiative to support children aged between four and eight years old who may not have previously been involved with music-making at home on their journey to learn a musical instrument. The project involves instrument lessons and musicianship classes, support to parents via workshops and videos, subsidised tickets to professional orchestral concerts for 50 young students and their families and the purchase of child-sized instruments for their use (represented by the transfer of £3,751).

It is funded by grants from D'Oyly Carte Charitable Trust, John Thaw Foundation, Philip King Trust, Postlethwaite Music Foundation and Schroder Trust.

Student bursary funds

The Amber Trust provides Music Awards to support to blind and partially sighted children and young people, who may also have other disabilities or special educational needs, until the age of 18. Its grant has been transferred to discount the fees of such students at the main Academy.

Harmony Works restricted funds

Money is being raised towards the feasibility stage of the Harmony Works project (see the trustees' report for further detail). The negative fund balance is supported by a £100,000 loan from Sheffield City Council - see notes 10 and 17.

The transfer of £537 of unrestricted funds represents the match funding element of the Company (see note 11).

Prior year comparison

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Ensemble 360 Academy Project	5,000	-	-	-	5,000
Bursaries	-	1,278	-	(1,278)	-
Instrument purchase	-	10,000	-	(10,000)	-
SMA total restricted funds	5,000	11,278	-	(11,278)	5,000
Harmony Works	15,814	49,340	(143,919)	38,388	(40,377)
	<u>20,814</u>	<u>60,618</u>	<u>(143,919)</u>	<u>27,110</u>	<u>(35,377)</u>

Ensemble 360 Academy Project

This project is funded by Sheffield Town Trust, The Freshgate Trust Foundation and JG Graves Charitable Trust. The project was due to take place in the financial year 2019-20, but was cancelled due to COVID-19.

Harmony Works

Money is being raised towards the feasibility stage of the Harmony Works project (see the trustees' report for further detail).

Bursaries

This fund represents monies given to the Academy to provide additional funding to those students that demonstrate a clear need for tuition fee support. The Academy has provided discounted fees to a number of students which totalled £1,278 this year, which has therefore been transferred to unrestricted funds.

Harmony Works

Monies given to fund instrument purchases. The instruments bought have no restrictions on their use, and so the monies have been transferred to the unrestricted funds.

Notes to the Accounts - continued
For the year ended 31 July 2023

14 Trustees and key management remuneration, benefits and expenses

The trustees were not paid or received any other benefits from employment with the charity in the year for their role as trustees (2022: £nil). No trustees were reimbursed expenses during the year (2022: £nil).

Emily Pieters, trustee, received payment of £25,200 in the year for being the project manager of the Harmony Works project (2022: £7,000). Permission was obtained from the Charity Commission to make these payments, as required by the constitution.

No other charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Key management, consisting of trustees and the Music Director, received total employee benefits of £58,701 during the year (2022: £48,176).

15 Related Party Transactions

Falconer Associates Limited, a company owned by trustee Ian Falconer and his wife, provided pro-bono PR advice of £840 to the Harmony Works project during the year (2022: £650).

There were no other related party transactions other than those listed above and in note 14.

16 Net debt reconciliation

	At start of year £	Cash flows £	Other non-cash changes £	At year end £
Cash at bank and in hand	165,526	17,986	-	183,512
Bank loan falling due within 1 year	(100,321)	-	(2,550)	(102,871)
	65,205	17,986	(2,550)	80,641

Prior year comparative

	At start of year £	Cash flows £	Other non-cash changes £	At year end £
Cash at bank and in hand	131,305	34,221	-	165,526
Bank loan falling due within 1 year	-	(100,000)	(321)	(100,321)
	131,305	(65,779)	(321)	65,205

17 Harmony Works

	Note	Designated Funds £ Note 11	Restricted Funds £ Note 13	Total 2023 £	Designated Funds £	Restricted Funds £	Total 2022 £
Income from grants and donations	17a	-	318,950	318,950	-	49,132	49,132
Income from investments - bank interest		-	2,402	2,402	-	208	208
Expenditure on charitable activities	17b	-	(297,130)	(297,130)	-	(143,919)	(143,919)
Net income/(expenditure)		-	24,222	24,222	-	(94,579)	(94,579)

Transfers

SMA contribution set aside re match funding for the year	-	-	-	20,000	-	20,000
Use of SMA contribution on expenditure during the year	(537)	537	-	(38,388)	38,388	-
Total transfers	(537)	537	-	(18,388)	38,388	20,000
Net movement in funds	(537)	24,759	24,222	(18,388)	(56,191)	(74,579)
Fund balances brought forward	1,279	(40,377)	(39,098)	19,667	15,814	35,481
Fund balances carried forward	742	(15,618)	(14,876)	1,279	(40,377)	(39,098)

Restricted fund - grants provided by external funders, and project expenditure. Cashflow is supported by a £100,000 loan from Sheffield City Council, as detailed in the Trustees' Report.

Designated fund - funds set aside by the trustees for match funding

Notes to the Accounts - continued
For the year ended 31 July 2023

17 Harmony Works - continuedCumulative analysis of Harmony Works Project - started in 2018/19

	Designated Fund £	Restricted Fund £	Total Funds £
Income from grants and donations	-	575,028	575,028
Income from investments - bank interest	-	2,610	2,610
Expenditure on charitable activities	(32)	(651,882)	(651,914)
Net income/(expenditure)	(32)	(74,244)	(74,276)
<u>Transfers</u>			
Cumulative SMA contributions set aside for project	60,000	-	60,000
Cumulative SMA contributions spent on project	(58,626)	58,626	-
Use of SMA contribution on 2018 expenditure previously funded from general funds	(600)	-	(600)
Total transfers	774	58,626	59,400
Net movement in funds (and position) as at 31 July 2023	742	(15,618)	(14,876)

17a Harmony works - income from grants and donations

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Sheffield City Council - Harmony Works	-	160,000	160,000	-	-	-
The National Lottery Heritage Fund	-	73,605	73,605	-	-	-
James Neill Trust Fund	-	2,000	2,000	-	-	-
Sheffield Church Burgesses Trust	-	10,000	10,000	-	-	-
Sheffield Town Trust	-	3,000	3,000	-	3,500	3,500
The Tramlines Trust	-	750	750	-	-	-
CMS LLP - donation in kind	-	67,755	67,755	-	14,850	14,850
Falconer Associates Ltd - donation in kind	-	840	840	-	650	650
Harmony Works donations	-	1,000	1,000	-	-	-
Architectural Heritage Fund	-	-	-	-	20,132	20,132
Anonymous donation	-	-	-	-	10,000	10,000
	-	318,950	318,950	-	49,132	49,132

17b Harmony works - expenditure on charitable activities

		Unrestricted Funds	Restricted Funds	Total 2023	Unrestricted Funds	Restricted Funds	Total 2022
	Note	£	£	£	£	£	£
Permanent staff costs	5	-	3,499	3,499	-	16,125	16,125
Feasibility study and development costs		-	291,081	291,081	-	127,473	127,473
Loan interest		-	2,550	2,550	-	321	321
		-	297,130	297,130	-	143,919	143,919

Notes to the Accounts - continued
For the year ended 31 July 2023

18 Statement of financial activities - prior year comparative by material fund

		Unrestricted funds	SMA Restricted funds	Harmony Works Restricted funds	Total Restricted Funds	Total Funds 2023	Unrestricted funds	SMA Restricted funds	Harmony Works Restricted funds	Total Restricted funds	Total Funds 2022
		£	£	£	£	£	£	£	£	£	£
Notes											
Income from:											
Grants and donations											
SMA music activities	2	13,839	37,898	-	37,898	51,737	10,852	11,278	-	11,278	22,130
Harmony Works	17a	-	-	318,950	318,950	318,950	-	-	49,132	49,132	49,132
Charitable activities											
SMA music activities	3	414,986	-	-	-	414,986	423,126	-	-	-	423,126
Investments - bank interest											
SMA music activities		3,389	-	-	-	3,389	407	-	-	-	407
Harmony Works		-	-	2,402	2,402	2,402	-	-	208	208	208
Other - profit on sale of assets											
		-	-	-	-	-	100	-	-	-	100
		<u>432,214</u>	<u>37,898</u>	<u>321,352</u>	<u>359,250</u>	<u>791,464</u>	<u>434,485</u>	<u>11,278</u>	<u>49,340</u>	<u>60,618</u>	<u>495,103</u>
Expenditure on:											
Fundraising costs		4,510	750	-	750	5,260	-	-	-	-	-
Charitable activities											
SMA music activities	4	452,640	18,366	-	18,366	471,006	414,956	-	-	-	414,956
Harmony Works	17b	-	-	297,130	297,130	297,130	-	-	143,919	143,919	143,919
		<u>457,150</u>	<u>19,116</u>	<u>297,130</u>	<u>316,246</u>	<u>773,396</u>	<u>414,956</u>	<u>-</u>	<u>143,919</u>	<u>143,919</u>	<u>558,875</u>
Net income/(expenditure)		(24,936)	18,782	24,222	43,004	18,068	19,529	11,278	(94,579)	(83,301)	(63,772)
Transfers	13	4,112	(4,649)	537	(4,112)	-	(27,110)	(11,278)	38,388	27,110	-
Net movement in funds		(20,824)	14,133	24,759	38,892	18,068	(7,581)	-	(56,191)	(56,191)	(63,772)
Total funds brought forward		183,436	5,000	(40,377)	(35,377)	148,059	191,017	5,000	15,814	20,814	211,831
Total funds carried forward		<u>162,612</u>	<u>19,133</u>	<u>(15,618)</u>	<u>3,515</u>	<u>166,127</u>	<u>183,436</u>	<u>5,000</u>	<u>(40,377)</u>	<u>(35,377)</u>	<u>148,059</u>

Accounts

Company Number: 07667445
Registered Charity Number: 1143420

Sheffield Music Academy

Annual Report and Unaudited Financial Statements

For the year ended 31 July 2022

Sheffield Music Academy

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Sheffield Music Academy

Trustees' Report for the year ended 31 July 2022

Sheffield Music Academy (the Academy) is a charitable company limited by guarantee. The Directors are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 July 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the charities Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland; FRS 102) issued in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Date of incorporation 13 June 2011

Company registration no. 07667445

Date of registration 17 August 2011

Charity registration no. 1143420

Patrons
Ms E Watts
Mr R Wigglesworth

Trustees during period	Ms A Brumpton	<i>co-opted 05 October 2021, appointed 18 January 2021</i>
	Ms T Cooper (Chair)	<i>temporarily stepped down as Chair between 28 June 2021 and 04 October 2022</i>
	Mr I Falconer (Treasurer)	<i>and Interim Chair between 28 June 2021 and 04 October 2022</i>
	Ms R Mallaband	<i>co-opted 05 October 2020, appointed 18 January 2021</i>
	Mr J Payne	<i>co-opted 05 October 2020, appointed 18 January 2021</i>
	Ms E Pieters	
	Ms S Unwin	<i>co-opted 04 October 2021, appointed 31 January 2022</i>

Music Director Mr M Cropper

General Manager Miss J O'Neill

Company Secretary Miss J O'Neill

Registered office
Office 9, Shirley House
31 Psalter Lane
Sheffield, S11 8YL

Independent Examiner Sarah Lightfoot FCA, DChA, employee of
VAS Community Accountancy
The Circle
33 Rockingham Lane
Sheffield, S1 4FW

Bankers	Virgin Money (formally Yorkshire Bank)	Charities Aid Foundation
	66 Fargate Sheffield S1 2HE	25 Kings Hill Avenue Kings Hill, West Malling Kent ME19 4TA

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2022

OUR AIMS AND OBJECTIVES

Purpose and objectives

Our charity's purpose, as set out in the objects contained in the company's Memorandum of Association, is to advance the education of young people of exceptional musical ability or potential who are aged between four and 19 years in all aspects of music and musicianship. In short, Sheffield Music Academy (the Academy) exists to help young musicians fulfil their potential.

We are part of a network run under the auspices of the Department for Education's (DfE's) Music and Dance Scheme, which includes Centres for Advanced Training (CATs) in music and dance, Specialist Residential Schools and Conservatoire Junior Departments.

Our aim is to raise aspirations for young people passionate about any form of music in which they show above average aptitude, not necessarily for a career in music and the performing arts but in order that they may make the most of their skills and talents, develop their self-confidence and in their turn contribute to the musical activities of their schools and colleges, areas and communities. Our aim fully reflects the purposes that the charity was set up to further.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review covers the year ending 31 July 2022 and looks at what we achieved and the outcomes of our work during that period. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help.

The review also helps us ensure our aims, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

Alongside continuing to provide education for talented young musicians, we have focused on finding additional ways of funding that education. The strategies we used to meet our objectives included:

- Ensuring that every student receives individual support, choosing from a number of core and optional classes at our Sheffield-based Academy which runs for 30 Saturdays during term time.
- Employing highly skilled tutors in a wide range of classical instruments.
- Providing regular opportunities to play in orchestras and ensembles.
- Organising workshops, from specialist masterclasses to intense ensemble training, welcoming experts in a range of instruments, music and health, folk music, rock, jazz and music production.
- Participating in external workshops that enable students to benefit from the Academy's close partnership with various music organisations in Sheffield and the surrounding area.
- Raising additional funds to supplement the grants made available through the Music and Dance Scheme. Grants are means tested using the Department for Education's criteria.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2022

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

All our charitable activities focus on the education of young people of aged between four and 19 of exceptional musical ability or potential and are undertaken to further our charitable purposes for the public benefit.

Who used and benefited from our services?

Our objects and funding enable us to provide services to students who reside mainly in a geographical area to include South Yorkshire, Derbyshire, Northeast Lincolnshire and North Nottinghamshire.

Our main achievements that delivered public benefit in 2021-22 included:

- Providing weekly lessons to 120 young musicians in the main Academy (delivered via 217 individual sessions, 40 classes, senior and junior choirs and various music groups including our Chamber Orchestra and a Concert Band of 40 students).
- Continuing to recruit staff of the highest calibre from around the UK.
- Attracting a greater number of prospective student applications from students keen to work with tutors of the highest calibre.
- Recruiting a new Trustee to the Board, expanding the skillset and knowledge of our Board to include a greater focus higher education provision and events expertise.
- Expanding our team to include additional administrative support.
- Re-establishing our busy concert series that was interrupted during the pandemic, presenting ten public performances at venues across South Yorkshire.
- Delivered in-school workshops to Key Stage 1 & 2 children.

ACADEMIC AND ARTISTIC HIGHLIGHTS OF THE YEAR ENDED 31 JULY 2022

During 2021-22 we welcomed 32 new students into the main Academy, including one Ukrainian refugee (whose place was funded by our sponsor GRI Group) and said farewell to 16 students who graduated at the end of the previous academic year. We were also joined by six new members of staff, including an SMA alumni in his third year at the Royal Northern College of Music, who helped us to further raise our standards of musicianship and teaching.

Across the year, we realised our ambitions in expanding our provision into areas that we had not previously been able to offer. The introduction of Concert Band was a particular success, with 40 students joining and performing a variety of challenging repertoire from different genres including film music and recently commissioned works by RNCM. This group has had positive feedback from students and audience members, increasing students' confidence in different styles.

We also had a number of exciting musical projects that ran throughout the year:

- Our 'Four Seasons' project showcased four of our senior violinists, accompanied by Senior Strings, who performed all four concertos by Antonio Vivaldi. Our musicians performed the complete work in three separate concerts, with a number of violinists stepping up to perform the solo parts. The students were also invited to a masterclass with one of our teachers who specialises in Baroque performance.
- Our 'World Premieres' project saw composers across the Academy writing works for string quartet which were master-classed and performed by the international ensemble, the Villiers String Quartet.
- SMA students performed at the Edale Festival, with a number of our students performing concertos or as part of the orchestra.

We trailed some outreach work in local schools, with our students performing to infant age children to inspire them to take up instruments. We intend to build on this work in the coming years.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2022

As Covid restrictions lifted fully we were able to reinstate the choirs. Junior Choir has 45 students, and its highlight was joining together with the Infant Academy to perform in an ensemble of 120 young musicians under the age of 13. Senior Choir worked towards a performance of Vivaldi's Gloria at the end of the year, singing with members of the wider SMA community and full orchestra.

In 2017-18 we began to pilot an Infant Academy for budding young musicians aged 6 to 8 years. We are delighted that, after just five years, the Infant Academy has moved from a pilot project with 24 students to a fully integrated part of our offer that now accepts students from age 4 to 8 years. In 2021-22 it had 82 students drawn from some 31 different schools across the region and it continued to deliver fantastic music provision, offering some classes during week as well as Saturday afternoons.

Overall, we continue to be hugely impressed by the incredible examples of creativity, positivity, commitment and dedication shown by our staff, students and their parents and guardians. It is now almost three years since the pandemic began, and we do not underestimate the physical and emotional toll that it has taken on our community. Together their response provided a perfect example of the benefits of music and the kind of transferable skills, especially problem solving, that studying music can bring. We were relieved to return fully to face to face teaching this year but the lessons we have learned about how to integrate online learning and other flexible methods of delivery mean we are confident about our ability to move a hybrid system of working, should that be required again in the future.

THE HARMONY WORKS PROJECT

In 2017 the Sheffield Music Academy joined forces with the Sheffield Music Hub to explore the creation of a permanent home for music education in the city. Both organisations are serving increasing numbers of children and young people, but each relies on renting temporary spaces, spread across the Sheffield City Region; none of which are designed for music or fit for expansion.

Harmony Works is a bold and compelling vision to create an inspirational new centre for music education and performance which will touch the lives of thousands of children and young people in the Sheffield City Region. A permanent home would provide a highly visible, accessible, physical focus for music education, open to the public and with a full array of practice, rehearsal and performance spaces not available elsewhere in the region.

Having previously identified Canada House as a suitable heritage building in the heart of Sheffield city centre and secured initial funding from the Architectural Heritage Fund to undertake viability work, we secured an option to purchase Canada House in September 2019 and exchanged contracts with its owners for its purchase in January 2021. And as our planned new home is in the Castlegate Quarter, one of the central placemaking initiatives in the City Centre Master Plan, we joined the Castlegate Partnership – a group of community, commercial, civic and cultural stakeholders working together to promote a collaborative and innovative approach to regenerating the area.

In 2021-22 our small but highly skilled and committed team of trustees, staff and partner organisations continued to make exciting progress:

- In October 2021 we were awarded £1.6 million towards the capital cost of the Harmony Works project from the Government's Levelling Up Fund, being one of three projects withing Sheffield City Council's successful Gateway bid, designed to bring economic benefits to the Castlegate Quarter and help bind its communities together.
- In July 2022, having previously appointed an impressive team of professional advisors to help us prepare the planning application and began initial architectural work, we submitted a Planning and Listed Buildings Application which was approved in November 2022. Alongside this work we concluded RIBA Stage 3 in January 2023.
- In August 2022 Brass Bands England and Music In The Round formally joined the Harmony Works partnership. Both are National Portfolio Organisations in receipt of regular funding from Arts Council England. A number of other national and local music charities have also expressed an interest in joining the project.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2022

And since the year-end:

- In September 2022 Sheffield City Council formally adopted the Sheffield Cultural Collective's Culture Strategy for Sheffield, which includes Harmony Works as one of four pivotal projects. The Strategy recognizes that every individual and every community in Sheffield thrives when culture, music, art and creativity is placed at the heart of the city's strategic development.
- In November 2022 we submitted a full application to the National Lottery Heritage Fund's Enterprise Fund, jointly with Sheffield City Council, and in December 2022 we were invited to submit an Expression of Interest to the Youth Investment Fund. Together these applications potentially open routes to a further £8 million of grant funding. The outcome of both applications will be known by summer 2023.

Although the project has benefited from early-stage financial support from Sheffield City Council and the Architectural Heritage Fund, and the generous pro bono support of locally based international legal advisers CMS LLP, we still require a material injection of funding to be able to complete the next stages. Only then will we be able to establish Harmony Works as a new limited company and registered charity through which the capital programme will be delivered. Critical stages remain the establishment of the new charitable body (Harmony Works Trust), funding for the capital project and the completion of the purchase of the building using Levelling Up Fund monies by March 2024. Full occupation therefore remains unlikely before 2025.

FINANCIAL REVIEW OF THE YEAR ENDED 31 JULY 2022

	2021-22			2020-21		
	Income £	Expenditure £	Net movement before transfers £	Income £	Expenditure £	Net movement before transfers £
Core activities	445,763	414,956	30,807	349,389	342,169	7,220
Harmony Works	49,340	143,919	(94,579)	95,815	111,377	(15,562)
Total	495,103	558,875	(63,772)	445,204	453,546	(8,342)

Core activities

Our total income for core activities in the 12-month period was £445,763, some £96,374 (28 per cent) more than we received in 2020-21. The increase was mostly due to 15 more students being enrolled in the main Academy than the previous year, a 12 per cent increase in the average bursary paid to those students supported by the DfE's Music and Dance Scheme (meaning more of our students come from lower income households), and a return to previous fundraising levels after the impact of Covid-19.

We are particularly proud that grants from the DfE, together with the bursaries that we are able to offer from our own funds, mean that some 69 per cent of the students in the main Academy receive some sort of support with their fees.

Our total expenditure on core activities was £414,956, some £72,787 (21 per cent) more than we spent in the same period last year. The increase was mostly due to the additional teaching required by the rise in student numbers. As a result of these year-on-year changes in income and expenditure, the overall net movement in our funds from unrestricted core activities was a surplus of £30,807 before transfers.

Harmony Works

We received £49,340 towards the Harmony Works project during the year, comprising restricted funds from the Architectural Heritage Fund and the Sheffield Town Trust, and the value to us of the pro-bono work undertaken on our behalf by CMS LLP and Falconer Associates Limited.

Project expenditure was £143,919, resulting in a net outflow of £94,579 before transfers to designated and restricted funds.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2022

By 31 July 2022 we had spent a total of £354,784 on the Harmony Works project since it began in 2017, some £39,098 more than the £316,286 we had raised from all sources by that date. The shortfall was funded by an unsecured loan of £100,000 that we took from Sheffield Council in June 2022, which is repayable in two equal instalments in June 2026 and June 2027. If the project stalls and the loan cannot be repaid from future fundraising, it will be repaid from funds which the Academy has otherwise budgeted to spend on Harmony Works in its long term Financial Strategy 2022-27.

Principal funding sources

The principal funding sources for the core activities of the charity are grants from the DfE's Music and Dance Scheme, and fees paid by parents and guardians of the Academy's students. While we remain heavily reliant on income from the Scheme (57 per cent of our core income in 2021-22, i.e., excluding grants towards the Harmony Works project), that dependence is reducing (it was 72 per cent of our income five years ago) because of concerted efforts to increase our sources of voluntary income and other grants. We are extremely grateful for the continued support of the Friends of Sheffield Music Academy, our business sponsors and local grant giving trusts.

Investment Policy

The donations we receive enable the Academy to maintain its reserves at a prudent level. Until we have sufficient funds for long-term investment, our reserves will continue to be split between two separate banks to ensure they remain protected by the Financial Services Compensation Scheme.

A small proportion of our reserves (£5,229) and a £10,000 donation received for that purpose have been invested in the purchase of several key instruments for use by students at the Academy that will hold or increase in value over the next five years

Reserves Policy

The trustees are risk averse as regards the Academy's reserves and aim to maintain sufficient free reserves in unrestricted funds (net current assets and assets that can be readily converted to cash) to ensure that the Academy's main operations can continue for a period of six months, or 26 weeks.

The annual operating cost of our core activities in 2022-23 is budgeted at £495,000. Net current assets in general funds amounted to £175,628 on 31 July 2022 and we held fixed asset instruments with a net book value of £105,635 that we considered to be readily convertible to cash, giving free reserves in unrestricted funds of £281,263, sufficient to cover our main operations for 30 weeks. And taking into consideration the potential requirement to repay the £100,000 loan from Sheffield City Council from general funds, we would still have sufficient free reserves to cover our main operations for 19 weeks.

It is reassuring that the hard work that our staff have put in means that our free reserves continue to be at the level they should be, and that gives us the confidence to continue our operations during these challenging economic times. However, we cannot rely upon reserves other than in the very short term, and so we remain focused on new ways to raise funds to ensure all our students can be supported going forward.

Going Concern

The Board is reassured that the Academy has continued to live within its means during the last three years of the pandemic, maintaining its student numbers, with no adverse impact on the quality of its activities. In July 2022 we once again approved a balanced budget for the next financial year and our latest forecast for 2022-23, based on the outturn to December 2022, confirms we remain on target to deliver it. The DfE has confirmed its support for the Music and Dance Scheme until July 2023, and we are satisfied that should the DfE grant funding no longer be available beyond 31 July 2023, the Academy's main operations could continue for at least six months, i.e., until January 2024.

For these reasons, the Board continues to adopt the going concern basis in preparing the financial statements.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2022

The Board also considers that the ongoing economic uncertainty resulting from Covid-19, Brexit, and the war in Ukraine is unlikely to have a material impact upon the Academy's ability to achieve its charitable objectives in the next 12 months. Nevertheless, the trustees and the Music Director will continue to monitor and respond to the risks of operating the Academy during these volatile times on an ongoing basis. The Academy has robust business continuity plans, risk management and financial management processes and so is well placed to respond to future uncertainty in a timely manner.

Events after the Reporting Period

The only significant post balance sheet event is the approval in November 2022 of the Planning and Listed Buildings Application that we submitted for Canada House for the Harmony Works project in July 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Academy is a charitable company limited by guarantee. The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association which are based upon the Charity Commission's model with only very slight modification. In the event of the company being wound up its members are each required to contribute an amount not exceeding £1.

Patrons

We have two Patrons supporting Sheffield Music Academy:

- Elizabeth Watts is one of Britain's leading sopranos and is much in demand throughout the world as a recitalist and concert singer. She was a chorister at Norwich Cathedral and studied archaeology at Sheffield University before attending the Royal College of Music.
- Ryan Wigglesworth is a pianist, conductor and composer and Principal Guest Conductor of the Halle. He was born in Wincobank, Sheffield and attended King Edward VII School and was a Cathedral choirboy.

Recruitment and Appointment of Board of Trustees

There must not be less than three trustees but there is no maximum number. Trustees must retire after three years' service but may offer themselves for re-election or further co-option.

A person qualified and wishing to become a trustee must be aged 18 years or over and must either be recommended by the trustees or be nominated for election by a member of the Charity. The trustees may co-opt individuals to the Board during the year for their particular expertise (e.g., financial or legal advice) through an ordinary resolution of the Board, but a co-opted trustee holds office only until the next AGM.

Every trustee must sign a declaration of willingness to act as a charity trustee of the Charity before he or she is eligible to vote at any Board meeting.

The Trustees of the Charity for the year ended 31 July 2022 are listed on page 1. We were delighted that Sara Unwin, who we co-opted in October 2021, was formally appointed in January 2022. Sara is Public Engagement Manager at the University of Sheffield, and is highly experienced in funding, community events and partnerships. She is also a member of the Sheffield Cultural Consortium.

On 28 June 2021 Trisha Cooper temporarily handed over her duties as Chair to Ian Falconer who continued to act as Interim Chair throughout the period covered by these financial statements and until 04 October 2022. Except from her duties as Chair, we are grateful that Trisha continued to participate fully as a trustee throughout this planned period.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2022

The Academy's Instruments and Articles do not provide for payments to its trustees without the approval of the Charity Commission. In May 2020, having first received independent legal advice that it could satisfactorily address all the factors outlined in Charity Commission Guidance Note CC29 (Conflicts of interest: a guide for charity trustees) the Board agreed to retain one of its trustees, Emily Pieters, to act as Project Director of the Harmony Works project. The Charity Commission gave its consent to these arrangements, noting the trustees had made a strong case as to why this was in the best interests of the charity.

In particular, the Commission noted that:

- Emily would withdraw from any discussion of the trustees which has any bearing on the terms of her contract to provide project management services or the acceptability of the standard of service provided.
- She would not vote on any of those matters and will not be included when deciding whether a quorum exists at a meeting to discuss them.
- In accordance with the Academy's Conflicts of Interest Policy:
 - any payments to Emily would be disclosed in the Academy's Annual Report and Financial Statements
 - She had agreed to declare the existence of this contract in her Trustee Declaration of Interest, published on the Academy's website.

Except for Emily Pieters' work as Project Director of the Harmony Works project, all trustees give of their time freely, no other trustee remuneration or expenses were paid in the year, and no other trustees registered a conflict of interest during the year, other than those noted in note 17 of the accounts.

Organisational structure

The Board met four times during 2021-22. At its meetings the trustees agree the broad strategy and areas of activity for the Charity, including consideration of grant making, investment, reserves and risk management policies and performance.

In 2019 the Board established a Working Group to oversee the Harmony Works project. Its membership includes two trustees (Ian Falconer and Emily Pieters) and the Music Director. The Group, which met eight times during 2021-22, is advisory, with no delegated powers except the permission to approve expenditure within budgets already determined by the Board.

In January 2022, the Working Group was reorganised into a Development Board and a Project Group, both still ultimately accountable to the SMA's Board which continues to act as the project's Accountable Body. This change ensured that there remains appropriate separation between the advisory and governance aspects of the project and its day-to-day management. The new Development Board, which meets every six weeks, comprises Ian Falconer (SMA Treasurer), Professor Karen Burland (Chair of the Sheffield Music Hub), and independent advisors David Hobson and Denise Edwards. It is chaired by Ian Falconer and attendees include Emily Pieters (Project Director), the Academy's Music Director and the Hub's Head of Music Education.

Throughout 2021-22 we have continued to supplement our Board meetings with regular informal catchups with management, supporting the Music Director and his team as they determined the Academy's response to the constantly changing external environment. We are grateful for the considerable extra time that individual trustees have invested to support the charity during this period.

The day-to-day administration of the Academy's activities, including its curriculum, staffing and student recruitment is delegated to the Music Director and his small administrative team.

Risk Management

The trustees keep the major risks to which the charity is exposed under regular review and have established systems and procedures to manage them.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2022

The trustees consider that the Academy's major financial risks continue to be the possible loss or reduction in its major source of core funding (i.e., the grant provided by the Music and Dance Scheme), its over-reliance on that one source of funding and any unfunded liabilities arising from the Harmony Works project. Donations and grants received during the year helped to mitigate these risks, and the trustees continue to review alternative future strategies.

The unsecured loan from Sheffield City Council to provide cashflow support to the Harmony Works project presents a new financial risk to the extent that if fundraising for the project is unsuccessful, it will need to be repaid from the Academy's own funds in 2026-27. The trustees are satisfied however, having regard to the Financial Strategy 2022-27, that so long as its Reserves Policy continues to be adhered to, there will sufficient free reserves in unrestricted funds to cover the repayment of the loan.

The most significant non-financial risks are:

- *That the Academy fails to meet its legal responsibilities concerning safeguarding, data protection and employment law, and that it fails to protect its IT systems and data.* The Board includes trustees with practical experience of safeguarding and legal and data protection issues and has commissioned independent IT and estates advice that will help mitigate these risks.
- *That the Academy's teaching premises are not accessible nor fit for future purpose, in terms of capacity and quality.* In the short term we have been able to hire alternative premises for socially distanced face-to-face ensemble tuition when our usual premises have not been available. And in the longer term these risks are being addressed by the Harmony Works project, which has its own Project Risk Register. The trustees have sought advice and input from organisations and individuals who have expertise and track record in running significant capital projects and are establishing a new charitable entity and trading subsidiary for the delivery of the project, with the relevant expertise and track record.

PLANS FOR 2022-23 AND BEYOND

During the last two years we worked imaginatively to create a flexible, 'virus resilient' timetable with options that allowed us to continue our delivery of first-rate musical tuition irrespective of the current virus control measures in place. Although Covid restrictions have lifted we have retained the positive aspects of the remote provision and integrated those into our standard provision, enabling us to offer more flexible delivery in 2021-22. We look forward to building on this further in 2022-23.

Looking to the future, the Sheffield Music Academy has plans to:

- Continue to work closely with the DfE Music and Dance Scheme as it improves its processes for greater efficiency and transparency.
- Continue to grow the standard and numbers of student applications, and to further strengthen our teaching staff.
- Expand our offering to include a concert band, providing opportunities for students to experience new genres of music.
- Introduce practice and collaboration themes for all students and staff.
- Increase the provision of rare breeds of instrument, particularly the double bass.
- Introduce side-by-side performances with higher education students to build closer ties with universities and to offer different experiences for our students.
- Improve our financial resilience by building our fundraising activity and continuing to grow public profile.
- Improve our business planning and long term strategies.
- Continue to build towards the full realisation of our vision for Harmony Works.

'TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of Sheffield Music Academy for the purposes of company law) are responsible for preparing the Trustees' Annual Report and 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 accounting period, 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 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the charitable company will not 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 irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy's website.

The Trustee's Annual Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The company is currently exempt from a statutory audit because its annual gross income does not exceed £1 million.

Approved by the Trustees of Sheffield Music Academy on 18 January 2023 and signed on their behalf by:



Trisha Cooper

Chair

Sheffield Music Academy

Independent Examiner's report to the Trustees of Sheffield Music Academy ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 July 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and 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 statement

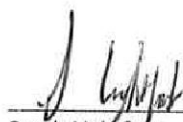
Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed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

Signed:



Sarah Lightfoot

Employee of:

VAS Community Accountancy
The Circle
33, Rockingham Lane
Sheffield
S1 4FW

Date:

27 January 2023

Sheffield Music Academy

Statement of financial activities

(incorporating the income and expenditure account)

For the year ended 31 July 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Income from:							
Grants and donations	2	10,852	60,410	71,262	11,519	97,745	109,264
Charitable activities	3	423,126	-	423,126	335,854	-	335,854
Investments - bank interest		407	208	615	86	-	86
Other - profit on sale of assets		100	-	100	-	-	-
		434,485	60,618	495,103	347,459	97,745	445,204
Expenditure on:							
Charitable activities	4	414,956	143,919	558,875	342,169	111,377	453,546
		414,956	143,919	558,875	342,169	111,377	453,546
Net income/(expenditure)		19,529	(83,301)	(63,772)	5,290	(13,632)	(8,342)
Transfers	11	(27,110)	27,110	-	(7,784)	7,784	-
Gain on revaluation of fixed asset	7	-	-	-	-	-	-
Net movement in funds		(7,581)	(56,191)	(63,772)	(2,494)	(5,848)	(8,342)
Total funds brought forward		191,017	20,814	211,831	193,511	26,662	220,173
Total funds carried forward		183,436	(35,377)	148,059	191,017	20,814	211,831

Sheffield Music Academy

Balance Sheet

As at 31 July 2022

	Notes	Total 2022 £	Total 2021 £
Fixed assets	7	106,850	97,663
Current assets			
Debtors	8	39,870	33,976
Cash at bank and in hand		165,526	131,305
Total current assets		205,396	165,281
Creditors: amounts falling due within one year	9	(63,866)	(51,113)
Net current assets		141,530	114,168
Total assets less current liabilities		248,380	211,831
Creditors: amounts falling due after more than one year	10	(100,321)	-
Total net assets		148,059	211,831
Represented by:			
Funds of the Charity			
General Funds		149,878	139,071
Designated funds	12	1,279	19,667
Revaluation Reserve	13	32,279	32,279
Unrestricted Funds Total		183,436	191,017
Restricted Funds	14	(35,377)	20,814
Total Funds	15	148,059	211,831

For the year ending 31 July 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The director's acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime.

Approved by the Trustees of Sheffield Music Academy on 18 January 2023 and signed on their behalf by:

Trisha Cooper

Chair

Sheffield Music Academy

Notes to the Accounts
For the year ended 31 July 2022

1 Accounting Policies

(a) General

Sheffield Music Academy is a charitable company in the United Kingdom limited by guarantee. In the event that the charity is wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and with the Charities Act 2011. The financial statements have taken advantage of the exemption to prepare a Statement of Cash Flows.

Sheffield Music Academy meets the definition of a public benefit entity under FRS 102. The financial statements are prepared under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £.

(b) Income

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

(c) Donated goods and services

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(d) Expenditure and irrecoverable VAT

Expenditure is recognised 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.

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

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(f) Tangible fixed assets

Depreciation has been calculated to write down the cost or valuation, less estimated residual value, of all tangible fixed assets over their expected useful lives, as follows:

Instruments collection	At valuation
Working instruments	10 years straight line or no depreciation
Office equipment	5 years straight line

The Trustees have undertaken to carry out an impairment review of the Instruments collection each year, to ensure no significant factor has affected the value during the year. In addition to this, all the instruments in the Instruments collection will be revalued by an expert every 3-5 years with any movement in the valuation being reflected in the asset valuation and the revaluation reserve.

(g) Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

(h) Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the Accounts - continued
For the year ended 31 July 2022

1. Accounting Policies - continued**(i) Financial instruments**

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 loans which are subsequently measured at amortised cost using the effective interest method.

(j) Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the organisation without further specified purpose and are available as general funds.

Designated funds are funds set aside at the discretion of the trustees for a specific project.

Restricted funds are to be used for specific purposes as laid down by the funder.

(k) Taxation

As a charity, Sheffield Music Academy is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

(l) Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

(m) Going concern

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

2. Income from grants and donations

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Concert Donations	786	-	786	262	-	262
Friends of Sheffield Music Academy	-	-	-	-	-	-
Other Donations	2,566	10,000	12,566	2,942	-	2,942
GRI Group	7,500	-	7,500	5,000	-	5,000
Sheffield City Council - coronavirus business grant scheme	-	-	-	3,315	-	3,315
<u>Bursaries</u>						
The Amber Trust	-	1,278	1,278	-	1,930	1,930
<u>Harmony Works</u>						
Architectural Heritage Fund	-	20,132	20,132	-	61,315	61,315
Sheffield Town Trust	-	3,500	3,500	-	-	-
CMS LLP - donation in kind	-	14,850	14,850	-	26,000	26,000
Falconer Associates Ltd	-	650	650	-	3,500	3,500
Anonymous donation	-	10,000	10,000	-	-	-
Sheffield City Council - Harmony Works	-	-	-	-	5,000	5,000
	10,852	60,410	71,262	11,519	97,745	109,264

3. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Fees paid by Department for Education	252,773	-	252,773	224,444	-	224,444
Fees paid by parents	155,419	-	155,419	110,293	-	110,293
Artistic Projects	13,619	-	13,619	-	-	-
Instrument Hire	1,315	-	1,315	835	-	835
Other income	-	-	-	282	-	282
	423,126	-	423,126	335,854	-	335,854

Notes to the Accounts - continued
For the year ended 31 July 2022

4 Expenditure on charitable activities

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Permanent staff costs	5	302,254	16,125	318,379	280,951	23,311	304,262
Temporary staff and deputies		35,231	-	35,231	3,567	-	3,567
Academic costs		29,987	-	29,987	21,449	-	21,449
Staff training		282	-	282	1,071	-	1,071
Rent and premises costs		14,969	-	14,969	9,098	-	9,098
Artistic project expenditure		5,164	-	5,164	1,617	-	1,617
Administration costs		7,878	-	7,878	6,585	-	6,585
Marketing		2,242	-	2,242	1,936	-	1,936
Insurance		1,639	-	1,639	475	-	475
Depreciation	8	4,761	-	4,761	4,304	-	4,304
Bank charges		215	-	215	90	-	90
Bad debts (written off) or provision made		4,088	-	4,088	5,638	-	5,638
Independent examination fee	7	2,100	-	2,100	2,100	-	2,100
Department for Education grant audit		1,230	-	1,230	960	-	960
Payroll services (including pension charges)		2,916	-	2,916	2,328	-	2,328
Legal and professional fees		-	-	-	-	-	-
Harmony Works feasibility project		-	127,473	127,473	-	88,066	88,066
Loan interest		-	321	321	-	-	-
Total charitable expenditure		414,956	143,919	558,875	342,169	111,377	453,546

5 Staff Costs

	2022 £	2021 £
Salaries	306,602	292,999
Employer's national insurance contributions	9,108	8,837
Employer's pension contributions	2,669	2,426
	318,379	304,262

The average number of monthly employees was 35 (2021: 32). No employee received emoluments of more than £60,000 in the year.

6 Fees paid to independent examiner's organisation

	2022 £	2021 £
Independent examination fee	2,100	2,100
Other fees paid:		
Department for Education grant audit	1,230	960
Payroll	2,916	2,328
Software licence	270	252
	4,416	3,540

Notes to the Accounts - continued
For the year ended 31 July 2022

7 Tangible Fixed Assets

	Instrument collection £	Working instruments £	Office equipment £	Total £
Cost or Valuation				
As at 1 August 2021	40,000	95,440	4,988	140,428
Additions	-	15,229	1,519	16,748
Disposals	-	(2,900)	-	(2,900)
As at 31 July 2022	40,000	107,769	6,507	154,276
Depreciation				
As at 1 August 2021	-	37,777	4,988	42,765
Depreciation charge	-	4,357	304	4,661
Disposals	-	-	-	-
As at 31 July 2022	-	42,134	5,292	47,426
Net Book Value				
As at 31 July 2022	40,000	65,635	1,215	106,850
As at 31 July 2021	40,000	57,663	-	97,663

Working instruments include 15 instruments that are considered to hold their value - therefore no depreciation has been charged on these assets.

8 Debtors

	2022 £	2021 £
Fees payable by Department for Education	12,750	11,850
Fees payable by parents	21,616	9,298
Other debtors	689	-
Prepayments	4,815	12,828
	39,870	33,976

9 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	30,831	17,254
July Salaries	23,107	23,489
Other taxes and social security	2,647	3,520
Other creditors	574	651
Accruals	6,707	6,199
	63,866	51,113

10 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Loans	100,321	-
	100,321	-

The loan is an unsecured loan from Sheffield City Council to support the expenditure of the Harmony Works project. The loan is repayable in two equal instalments in June 2026 and June 2027. Interest is accrued on a daily basis at 2.55% per annum.

Notes to the Accounts - continued
For the year ended 31 July 2022

11 Harmony Works

	Restricted Fund Note 14 £	Designated Fund Note 12 £	Total Funds £
Income from grants and donations	49,340	-	49,340
Expenditure on charitable activities	(143,919)	-	(143,919)
Net income/(expenditure)	(94,579)	-	(94,579)
<u>Transfers</u>			
SMA contribution set aside re match funding for the year	-	20,000	20,000
Use of SMA contribution on expenditure during the year	38,388	(38,388)	-
Total transfers	38,388	(18,388)	20,000
Net movement in funds	(56,191)	(18,388)	(74,579)
Fund balances brought forward	15,814	19,667	35,481
Fund balances carried forward	(40,377)	1,279	(39,098)

Restricted fund - grants provided by external funders, and project expenditure. Cashflow is supported by a £100,000 loan from Sheffield City Council, as detailed in the Trustees' Report

Designated fund - funds set aside by the trustees for match funding

Cumulative analysis of Harmony Works Project - started in 2018/19

	Restricted Fund £	Designated Fund £	Total Funds £
Income from grants and donations	256,286	-	256,286
Expenditure on charitable activities	(354,752)	(32)	(354,784)
Net income/(expenditure)	(98,466)	(32)	(98,498)
<u>Transfers</u>			
Cumulative SMA contributions set aside for project	-	60,000	60,000
Cumulative SMA contributions spent on project	58,089	(58,089)	-
Use of SMA contribution on 2018 expenditure previously funded from general funds	-	(600)	(600)
Total transfers	58,089	1,311	59,400
Net movement in funds (and position) as at 31 July 2022	(40,377)	1,279	(39,098)

12 Designated funds

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Harmony Works	19,667	-	-	(18,388)	1,279
	<u>19,667</u>	<u>-</u>	<u>-</u>	<u>(18,388)</u>	<u>1,279</u>

The trustees set aside a further £20,000 in the 21/22 financial year towards the match funding element of the feasibility stage of the Harmony Works project (see the trustees' report for further detail). £38,388 was transferred into the restricted fund for the match funding of expenditure in the financial year, leaving a balance of £1,279 carried forwards for future costs.

Prior year comparison

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Harmony Works	9,381	-	-	10,286	19,667
	<u>9,381</u>	<u>-</u>	<u>-</u>	<u>10,286</u>	<u>19,667</u>

The trustees determined to set aside £20,000 in the 20/21 financial year towards the match funding element of the feasibility stage of the Harmony Works project (see the trustees' report for further detail). £9,714 was transferred into the restricted fund for the match funding of expenditure in the financial year, leaving a balance of £19,667 carried forwards for future costs.

Notes to the Accounts - continued
For the year ended 31 July 2022

13 Revaluation reserve

	2022 £	2021 £
Revaluation reserve brought forward	32,279	32,279
Revaluation during the year	-	-
Revaluation reserve carried forward	<u>32,279</u>	<u>32,279</u>

14 Restricted funds

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Ensemble 360 Academy Project	5,000	-	-	-	5,000
Harmony Works	15,814	49,340	(143,919)	38,388	(40,377)
Bursaries	-	1,278	-	(1,278)	-
Instrument purchase	-	10,000	-	(10,000)	-
	<u>20,814</u>	<u>60,618</u>	<u>(143,919)</u>	<u>27,110</u>	<u>(35,377)</u>

Ensemble 360 Academy Project

This project is funded by Sheffield Town Trust, The Freshgate Trust Foundation and JG Graves Charitable Trust. The project was due to take place in the financial year 2019-20, but remains postponed due to COVID-19.

Harmony Works

Money is being raised towards the feasibility stage of the Harmony Works project (see the trustees' report for further detail). The negative fund balance is supported by a £100,000 loan from Sheffield City Council - see notes 10 and 11.

Bursaries

This fund represents monies given to the Academy to provide additional funding to those students that demonstrate a clear need for tuition fee support. The Academy has provided discounted fees to a number of students which totalled £1,278 this year, which has therefore been transferred to unrestricted funds.

Instrument purchase

Monies given to fund instrument purchases. The instruments bought have no restrictions on their use, and so the monies have been transferred to the unrestricted funds.

Prior year comparison

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Ensemble 360 Academy Project	5,000	-	-	-	5,000
Harmony Works	21,662	95,815	(111,377)	9,714	15,814
Bursaries	-	1,930	-	(1,930)	-
	<u>26,662</u>	<u>97,745</u>	<u>(111,377)</u>	<u>7,784</u>	<u>20,814</u>

Ensemble 360 Academy Project

This project is funded by Sheffield Town Trust, The Freshgate Trust Foundation and JG Graves Charitable Trust. The project was due to take place in the financial year 2019-20, but was cancelled due to COVID-19.

Harmony Works

Money is being raised towards the feasibility stage of the Harmony Works project (see the trustees' report for further detail).

Bursaries

This fund represents monies given to the Academy to provide additional funding to those students that demonstrate a clear need for tuition fee support. The Academy has provided discounted fees to a number of students which totalled £1,930 this year, which has therefore been transferred to unrestricted funds.

Notes to the Accounts - continued
For the year ended 31 July 2022

15 Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total 2022 £
Tangible fixed assets	106,850	-	-	106,850
Current assets	211,461	1,279	(7,344)	205,396
Creditors: amounts falling due within one year	(35,833)	-	(28,033)	(63,866)
Creditors: amounts falling due after more than one year	-	-	(100,321)	(100,321)
	<u>282,478</u>	<u>1,279</u>	<u>(135,698)</u>	<u>148,059</u>
<i>Prior year comparison</i>	<i>General Funds £</i>	<i>Designated Funds £</i>	<i>Restricted Funds £</i>	<i>Total 2021 £</i>
Tangible fixed assets	97,663	-	-	97,663
Current assets	110,411	19,667	35,203	165,281
Creditors: amounts falling due within one year	(36,724)	-	(14,389)	(51,113)
	<u>171,350</u>	<u>19,667</u>	<u>20,814</u>	<u>211,831</u>

16 Trustees and key management remuneration, benefits and expenses

The trustees were not paid or received any other benefits from employment with the charity in the year for their role as trustees (2021: £nil). No trustees were reimbursed expenses during the year (2021: £nil).

Emily Pieters, trustee, received payment of £7,000 in the year for being the project manager of the Harmony Works project (2021: £7,000). Permission was obtained from the Charity Commission to make these payments as required by the constitution.

No other charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Key management, consisting of trustees and the Music Director, received total employee benefits of £48,176 during the year (2021: £49,299 - the Music Director was paid for an additional 0.5 days per week during 20/21).

17 Related Party Transactions

Falconer Associates Limited, a company owned by trustee Ian Falconer and his wife, provided pro-bono PR advice of £650 to the Harmony Works project during the year (2021: £3,500).

There were no other related party transactions other than those listed above and in note 16.

Accounts

Company Number: 07667445
Registered Charity Number: 1143420

Sheffield Music Academy

Annual Report and Unaudited Financial Statements

For the year ended 31 July 2021

Sheffield Music Academy

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Sheffield Music Academy

Trustees' Report for the year ended 31 July 2021

Sheffield Music Academy (the Academy) is a charitable company limited by guarantee. The Directors are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 July 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the charities Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland; FRS 102) issued in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Date of incorporation	13 June 2011	
Company registration no.	07667445	
Date of registration	17 August 2011	
Charity registration no.	1143420	
Patrons	Ms E Watts Mr R Wigglesworth	
Trustees during period	Mr J Armstrong Ms A Brumpton Ms T Cooper (Chair) Mr I Falconer (Treasurer) Ms R Mallaband Ms A Olusoga Mr J Payne Ms E Pieters Ms E Underwood Ms S Unwin	<i>resigned 18 January 2021</i> <i>co-opted 05 October 2021, appointed 18 January 2021</i> <i>temporarily stepped down as Chair wef 28 June 2021</i> <i>and Interim Chair wef 28 June 2021</i> <i>co-opted 05 October 2020, appointed 18 January 2021</i> <i>resigned 18 January 2021</i> <i>co-opted 05 October 2020, appointed 18 January 2021</i> <i>co-opted 04 October 2021</i>
Music Director	Mr M Cropper	
General Manager	Miss J O'Neill	
Company Secretary	Miss J O'Neill	
Registered office	Office 9, Shirley House 31 Psalter Lane Sheffield, S11 8YL	
Independent Examiner	Sarah Lightfoot FCA, DChA, employee of VAS Community Accountancy The Circle 33 Rockingham Lane Sheffield, S1 4FW	
Bankers	Virgin Money (formally Yorkshire Bank) 66 Fargate Sheffield S1 2HE	Charities Aid Foundation 25 Kings Hill Avenue Kings Hill, West Malling Kent ME19 4TA

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2021

OUR AIMS AND OBJECTIVES

Purpose and objectives

Our charity's purpose, as set out in the objects contained in the company's Memorandum of Association, is to advance the education of young people of exceptional musical ability or potential who are aged between four and 19 years in all aspects of music and musicianship. In short, Sheffield Music Academy (the Academy) exists to help young musicians fulfil their potential.

We are part of a network run under the auspices of the Department for Education's (DfE's) Music and Dance Scheme, which includes Centres for Advanced Training (CATs) in music and dance, Specialist Residential Schools and Conservatoire Junior Departments.

Our aim is to raise aspirations for young people passionate about any form of music in which they show above average aptitude, not necessarily for a career in music and the performing arts but in order that they may make the most of their skills and talents, develop their self-confidence and in their turn contribute to the musical activities of their schools and colleges, areas and communities. Our aim fully reflects the purposes that the charity was set up to further.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review covers the year ending 31 July 2021 and looks at what we achieved and the outcomes of our work during that period. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help.

The review also helps us ensure our aims, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

Alongside continuing to provide education for talented young musicians, we have focused on finding additional ways of funding that education. The strategies we used to meet our objectives included:

- Ensuring that every student receives individual support, choosing from a number of core and optional classes at our Sheffield-based Academy which runs for 30 Saturdays during term time.
- Employing highly skilled tutors in a wide range of classical instruments.
- Providing regular opportunities to play in orchestras and ensembles.
- Organising workshops, from specialist masterclasses to intense ensemble training, welcoming experts in a range of instruments, music and health, folk music, rock, jazz and music production.
- Participating in external workshops that enable students to benefit from the Academy's close partnership with various music organisations in Sheffield and the surrounding area.
- Raising additional funds to supplement the grants made available through the Music and Dance Scheme. Grants are means tested using the Department for Education's criteria.

While some of our strategies were impacted by the ongoing Covid-19 pandemic throughout this academic year, we are immensely proud of the successful efforts that our staff made to find the very best solutions to ensure our students could continue to drive their passion for music making. We explain the impact of the pandemic and our response in more detail later in this report.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

All our charitable activities focus on the education of young people of aged between four and 19 of exceptional musical ability or potential and are undertaken to further our charitable purposes for the public benefit.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2021

Who used and benefited from our services?

Our objects and funding enable us to provide services to students who reside mainly in a geographical area to include South Yorkshire, Derbyshire, North East Lincolnshire and North Nottinghamshire.

Although much of the academic year was disrupted by the Covid-19 pandemic, we were able to continue to advance the education of young people of exceptional musical ability or potential. Our main achievements that delivered public benefit in 2020-21 included:

- Providing weekly lessons to 105 young musicians (delivered via 183 individual sessions, 39 classes and nine ensembles including our Chamber Orchestra of 40 students) through a blended offer of online and socially distanced in-person ensemble and orchestra rehearsals.
- Continuing to recruit staff of the highest calibre from around the UK.
- Imaginatively using remote learning technologies including web platforms, live streaming services, apps and innovative funding opportunities to maximise learning opportunities for students in lockdown, provide a continued high-quality offer for our families and find new ways to replace lost donations from cancelled concerts. New individual donors, including regular givers, were sourced and student numbers were maintained.
- Attracting a greater number of prospective student applications from students keen to work with tutors of the highest calibre, operating remotely during the strict covid guidelines.
- Recruiting new Trustees to the Board, again during lockdown, expanding the skillset and knowledge of our Board to include an increased education focus, and HR, legal and events expertise.
- Appointing a Financial Assistant to support the work of the General Manager.

ACADEMIC AND ARTISTIC HIGHLIGHTS OF THE YEAR ENDED 31 JULY 2021

During 2020-21 we welcomed 13 new students and said farewell to 23 students including five who graduated at the end of the previous academic year. We were also joined by two new members of staff who helped us to further raise our standards of musicianship and teaching.

Covid-19 was first identified in December 2019 and the resulting pandemic has continued to cause global social and economic disruption ever since, including periods of partial or full closure for many educational institutions. But by the autumn of 2020, the Academy had developed a blended timetable that enabled us to move with minimal disruption between online and in person teaching. This has served us very well and ensured that we could continue to offer exceptional education, and focus on different aspects of the musical curriculum at different points in the academic year.

For example, a large part of music education is about playing together and learning to lead, follow and interact. To deliver our ensemble provision, which we were keen to reinstate as quickly as possible, we expanded the length of the day on Saturday and rehearsals took place on Friday evenings and in additional venues to enable us to adhere to Covid-19 social distancing requirements.

Due to the continued unpredictable nature of Covid-19 we introduced termly ABRSM examinations operated remotely so student attainment could be maintained. And we also introduced examination workshops, bringing in highly experienced musicians/teachers to give live feedback and to provide performance opportunities to those who, because of Covid-19, were prevented from taking examinations in person or who were not able to perform to an audience as usual. These workshops were invaluable and allowed many of our students to later go on and excel in their examinations.

The Board believed it was essential that our students did not lose out on performance opportunities, so to celebrate their great work while still complying with the ongoing Covid-19 restrictions, we put on more performances than usual. And to enable the families of all our students the opportunity to see their students perform, some concerts were repeated, and some ran concurrently in neighbouring venues! This was a sterling effort by the whole of the SMA community.

In 2017-18 we began to pilot an Infant Academy for budding young musicians aged 6 to 8 years. We are delighted that, after just four years, the Infant Academy has moved from a pilot project with 24 students to a fully integrated part of our offer that now accepts students from age 4 to 8 years. In 2020-21 it had 79 students drawn from some 31 different schools across the region and it continued to deliver fantastic music provision, coping extremely well with the demands of providing music provision to our youngest students, both in and out of lockdown.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2021

Despite the pandemic we also delivered several exciting and innovative projects for our students in 2020-21, expanding our provision and expanding our delivery out into the local community. For example:

- in the spring of 2021, we launched a Composition Competition called *Composer Dice* for our students, parents and trustees. The idea behind this was to bring the community together during the return to online learning, to have a bit of fun with our music-making, to get creative and learn something along the way. As covid restrictions lifted, we began to come together to rehearse and perform these compositions. There will be a performance of all these works in 2021-22 called *An Evening of Firsts*.
- In the summer of 2021 grant funding from the Government's Holiday Activities and Food Programme (HAF) also enabled us to put on a fabulous summer school run by our SMA Infants Leader, Becca Francis, and several of our staff. In the words of the headmaster of the school where the programme ran *"This week enabled some of the most vulnerable children and families in Sheffield to attend and learn how to play an instrument and they were totally engrossed for the week. The rising attendance throughout the week as children shared their enthusiasm for the wonderful work was testament to the success of the project."* A third of the school took part and a similar number of parents came to watch. We hope to secure funding to repeat and expand the project in 2022 and believe it to be a great example of what our Harmony Works project might achieve in the future.

Other impacts of the pandemic on our academic offer in 2020-21 included:

- The reduced use of our principal premises at Birkdale School, but supplemented with the hire of community spaces and our office premises to enable socially-distanced ensemble rehearsal and work when guidance permitted.
- The continuation of more regular Board catch ups to keep Trustees informed of activity and to ensure adherence to Government guidelines.
- The continuation of weekly digital concerts to enable students to maintain their performance confidence and skills and to provide parents and guardians with a weekly showcase of their children's progress.

Overall, we continue to be hugely impressed by the incredible examples of creativity, positivity, commitment and dedication shown by our staff, students and their parents and guardians. It is now almost two years since the pandemic began, and we do not underestimate the physical and emotional toll that it has taken on our community. Together their response provides a perfect example of the benefits of music and the kind of transferable skills, especially problem solving, that studying music can bring.

We anticipate that changing guidelines and continued uncertainty over the direction and evolving pandemic will impact work from 2021-22 and beyond but are confident in the ambitions and hard work of our staff to continue to deliver high quality music tuition to our inspiring young musicians.

THE HARMONY WORKS PROJECT

In 2017 the Sheffield Music Academy joined forces with the Sheffield Music Hub to explore the creation of a permanent home for music education in the city. Both organisations are serving increasing numbers of children and young people, but each relies on renting temporary spaces, spread across the Sheffield City Region; none of which are designed for music or fit for expansion.

Harmony Works is a bold and compelling vision to create an inspirational new centre for music education and performance which will touch the lives of thousands of children and young people in the Sheffield City Region. A permanent home would provide a highly visible, accessible, physical focus for music education, open to the public and with a full array of practice, rehearsal and performance spaces not available elsewhere in the region.

Having previously identified Canada House as a suitable heritage building in the heart of Sheffield city centre and secured initial funding from the Architectural Heritage Fund to undertake viability work, we secured an option to purchase Canada House in September 2019. As our planned new home is in the Castlegate Quarter, one of the central placemaking initiatives in the City Centre Master Plan, we also became members of the Castlegate Partnership – a group of community, commercial, civic and cultural stakeholders working together to promote a collaborative and innovative approach to regenerating the area.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2021

In 2020-21 our small but highly skilled and committed team of trustees, staff and partner organisations continued to make exciting progress:

- In January 2021 we exchanged contracts for the purchase of Canada House with its owners.
- In April 2021, following a detailed tender exercise, we appointed an impressive team of professional advisors that will enable us to prepare the planning application and began some initial architectural work.
- In June 2021 Harmony Works was expressly referenced as one of four pivotal projects in the Sheffield Cultural Collective's new Culture Strategy for Sheffield. The Collective - one of 20 national Cultural Compacts created by the Arts Council in 2018 - believes that every individual and every community in Sheffield thrives when culture, music, art and creativity is placed at the heart of the city's strategic development.
- In June 2021 Harmony Works was also included as one of three projects within Sheffield City Council's Gateway bid to the Government's Levelling Up Fund, designed to bring economic benefits to the Castlegate Quarter and help bind its communities together. In October 2021 we learned the bid had been successful, and we have been allocated £1.6 million of grant funding towards the capital cost of our project.
- In December 2021 the National Lottery Heritage Fund approved our Expression of Interest to its Enterprise Fund, and have invited us to make a full application, potentially opening routes to a further £2.5 million of grant funding.

Although the project has benefited from early-stage financial support from Sheffield City Council and the Architectural Heritage Fund, and the generous pro bono support of locally based international legal advisers CMS LLP, we still require a material injection of funding to be able to complete the next stages. Only then will we be able to establish Harmony Works as a new limited company and registered charity through which the capital programme will be delivered. Critical stages remain the submission of a Planning Application and the completion of the purchase of the building. Full occupation therefore remains unlikely before 2025.

FINANCIAL REVIEW OF THE YEAR ENDED 31 JULY 2021

	2020-21			2019-20		
	Income £	Expenditure £	Net movement before transfers £	Income £	Expenditure £	Net movement before transfers £
Core activities	349,389	342,169	7,220	375,736	363,617	9,119
Harmony Works	95,815	111,377	(15,562)	95,113	82,152	12,961
Total	445,204	453,546	(8,342)	470,849	444,769	22,080

Core activities

Our total income for core activities in the 12-month period was £349,389, some £26,347 (7.0 per cent) less than we received in 2019-20. The decrease was mostly due a slight fall in student numbers in the main academy and reduced fundraising opportunities due to the impact of Covid-19.

Related expenditure was £342,169, some £21,448 (5.9 per cent) less than we spent in the same period last year. As a result of these year-on-year changes in income and expenditure, the overall net movement in our funds from unrestricted core activities was a surplus of £7,220 before transfers.

Harmony Works

We also received £95,815 towards the Harmony Works project during the year, comprising restricted funds from Sheffield City Council and the Architectural Heritage Fund, and the value to us of the pro-bono work undertaken on our behalf by CMS LLP and Falconer Associates Limited. Project expenditure was £111,377, resulting in a net decrease of £15,562 before transfers to designated and restricted funds.

On 31 July 2021 we held funds of £35,481 on behalf of the Harmony Works project (£19,667 designated and £15,814 restricted), being the unused elements of funding set aside by the Board and external grants received.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2021

Financial impact of Covid-19

Although the pandemic continued to effect how we delivered our charitable objectives, the overall financial impact was not material in 2020-21:

- The DfE confirmed our continued entitlement to the Music and Dance Scheme funding which is our principal source of income. Although our entitlement was not affected, some instalments were delayed, causing potential cashflow pressures that we managed by careful cash management.
- Although we lost some of the traditional fundraising opportunities usually provided by our programme of public performances and made refunds totalling £2,450 to students who were unable to catch up on their missed ensemble tuition, these shortfalls were partially offset by net savings on venue hire fees and other operating expenses and a second Coronavirus Business Grant which we received from Sheffield City Council.

Principal funding sources

The principal funding sources for the core activities of the charity are grants from the DfE's Music and Dance Scheme, and fees paid by parents and guardians of the Academy's students. While we remain heavily reliant on income from the Scheme (64 per cent of our core income in 2020-21, i.e., excluding grants towards the Harmony Works project), that dependence is reducing (it was 72 per cent of our income in 2015-16) because of concerted efforts to increase our sources of voluntary income and other grants. We are extremely grateful for the continued support of the Friends of Sheffield Music Academy, our business sponsors and local grant giving trusts.

Investment Policy

The donations we receive enable the Academy to maintain its reserves at a prudent level. Until we have sufficient funds for long-term investment, our reserves will continue to be split between two separate banks to ensure they remain protected by the Financial Services Compensation Scheme.

A small proportion of our reserves (£9,200) has once again been invested in the purchase of several key instruments for use by students at the Academy that will hold or increase in value over the next five years.

Reserves Policy

The trustees are risk averse as regards the Academy's reserves and aim to maintain sufficient free reserves in unrestricted funds (net current assets and assets that can be readily converted to cash) to ensure that the Academy's main operations can continue for a period of six months.

As of 31 July 2021, annual operating costs for our core activities were £342,169. Net current assets in general funds amounted to £73,687 and we held fixed asset instruments with a net book value of £97,663 that we considered to be readily convertible to cash, giving free reserves in unrestricted funds of £171,350, sufficient to cover our main operations for the required six months. Of course, some of our instruments are on loan to our students and their access might no longer be possible if we were obliged to dispose of them.

Our ability to maintain our free reserves at our preferred level gives us the confidence to continue our operations during the pandemic. However, we cannot rely upon reserves other than in the very short term, and so we remain focused on new ways to raise funds to ensure all our students can be supported going forward. We plan to review our Reserves Policy again in the light of the pandemic in the autumn of 2022.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2021

Going Concern

The Board is reassured that the Academy has continued to live within its means during the last eighteen months of the pandemic, maintaining its student numbers, with no adverse impact on the quality of its activities. In July 2021 we approved a balanced budget for the 2021-22 financial year and our latest forecast, based on the outturn to December 2021, confirms we remain on target to deliver it. The DfE has confirmed its support for the Music and Dance Scheme until July 2022 and, as the impact of Covid-19 during 2020-21 did not materially affect our levels of free reserves, we are satisfied that should the DfE grant funding no longer be available beyond 31 July 2022, the Academy's main operations could continue for at least six months, i.e., until January 2023.

For these reasons, the Board continues to adopt the going concern basis in preparing the financial statements.

The Board also considers that the ongoing economic uncertainty resulting from Covid-19 is unlikely to have a material impact upon the Academy's ability to achieve its charitable objectives in the next 12 months. Nevertheless, the trustees and the Music Director will continue to monitor and respond to the risks of operating during Covid-19 on an ongoing basis. The Academy has robust business continuity plans, risk management and financial management processes and so is well placed to respond to future uncertainty in a timely manner.

Events after the Reporting Period

The only significant post balance sheet event is the award of a grant from the Levelling Up Fund of £1.6 million for the purchase of Canada House for the Harmony Works Project in October 2021. The receipt of this grant is conditional on several factors, including completion of the contract to purchase and the agreement of a viable business plan for the Project, which together mitigate against any financial risk to the Academy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Academy is a charitable company limited by guarantee. The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association which are based upon the Charity Commission's model with only very slight modification. In the event of the company being wound up its members are each required to contribute an amount not exceeding £1. On 15 August 2020 the Charity Commission approved revisions to our Charitable Objects to broaden the age range of our students to between four and 19.

Patrons

We have two Patrons supporting Sheffield Music Academy:

- Elizabeth Watts is one of Britain's leading sopranos and is much in demand throughout the world as a recitalist and concert singer. She was a chorister at Norwich Cathedral and studied archaeology at Sheffield University before attending the Royal College of Music.
- Ryan Wigglesworth is a pianist, conductor and composer and Principal Guest Conductor of the Halle. He was born in Wincobank, Sheffield and attended King Edward VII School and was a Cathedral choirboy.

Recruitment and Appointment of Board of Trustees

There must not be less than three trustees but there is no maximum number. Trustees must retire after three years' service but may offer themselves for re-election or further co-option.

A person qualified and wishing to become a trustee must be aged 18 years or over and must either be recommended by the trustees or be nominated for election by a member of the Charity. The trustees may co-opt individuals to the Board during the year for their particular expertise (e.g., financial or legal advice) through an ordinary resolution of the Board, but a co-opted trustee holds office only until the next AGM.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2021

Every trustee must sign a declaration of willingness to act as a charity trustee of the Charity before he or she is eligible to vote at any Board meeting.

The Trustees of the Charity for the year ended 31 July 2021 are listed on page 1. We were delighted that the three trustees that we co-opted in October 2020 in anticipation of the greater governance workload arising from the pandemic and the Harmony Works project, Angela Brumpton, Rachel Mallaband and John Payne, were formally appointed in January 2021. And they were joined by Sara Unwin in October 2021, who was also co-opted pending formal appointment at our next AGM.

On 28 June 2021 Trisha Cooper temporarily handed over her duties as Chair to Ian Falconer who continues to act as Interim Chair. Except for her duties as Chair, we are grateful that Trisha has continued to participate fully as a trustee throughout this planned period.

The Academy's Instruments and Articles do not provide for payments to its trustees without the approval of the Charity Commission. In May 2020, having first received independent legal advice that it could satisfactorily address all the factors outlined in Charity Commission Guidance Note CC29 (Conflicts of interest: a guide for charity trustees) the Board agreed to retain one of its trustees, Emily Pieters, to act as Project Director of the Harmony Works project. The Charity Commission gave its consent to these arrangements, noting the trustees had made a strong case as to why this was in the best interests of the charity.

In particular, the Commission noted that:

- Emily would withdraw from any discussion of the trustees which has any bearing on the terms of her contract to provide project management services or the acceptability of the standard of service provided.
- She would not vote on any of those matters and will not be included when deciding whether a quorum exists at a meeting to discuss them.
- In accordance with the Academy's Conflicts of Interest Policy:
 - any payments to Emily would be disclosed in the Academy's Annual Report and Financial Statements
 - She had agreed to declare the existence of this contract in her Trustee Declaration of Interest, published on the Academy's website.

Except for Emily Pieters' work as Project Director of the Harmony Works project, all trustees give of their time freely, no other trustee remuneration or expenses were paid in the year, and no other trustees registered a conflict of interest during the year, other than those noted in note 17 of the accounts.

Organisational structure

The Board met six times during 2020-21. At its meetings the trustees agree the broad strategy and areas of activity for the Charity, including consideration of grant making, investment, reserves and risk management policies and performance.

In 2019 the Board established a Working Group to oversee the Harmony Works project. Its membership includes two trustees (Ian Falconer and Emily Pieters) and the Music Director. The Group, which met 13 times during 2020-21, is advisory, with no delegated powers except the permission to approve expenditure within budgets already determined by the Board. The Board met informally with the Working Group twice during the year for updates on the project.

Throughout 2020-21 we have continued to supplement our Board meetings with regular informal catchups with management, supporting the Music Director and his team as they determined the Academy's response to the constantly changing external environment caused by the Covid-19 pandemic and the evolving health and educational guidance issued by Government. We are grateful for the considerable extra time that individual trustees have invested to support the charity during this period.

The day-to-day administration of the Academy's activities, including its curriculum, staffing and student recruitment is delegated to the Music Director and his small administrative team.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2021

Risk Management

The trustees keep the major risks to which the charity is exposed under regular review and have established systems and procedures to manage them.

The trustees consider that the Academy's major financial risks continue to be the possible loss or reduction in its major source of core funding (i.e., the grant provided by the Music and Dance Scheme), its over-reliance on that one source of funding and any unfunded liabilities arising from the Harmony Works project. Donations and grants received during the year helped to mitigate these risks, although the Covid-19 pandemic has reduced our fundraising opportunities, and the trustees continue to review alternative future strategies.

The pandemic presents an additional financial risk i.e., the difficulty of promptly reducing our costs in line with any possible reduction in income (e.g., due to a reduced provision, financial hardship of students' families or a drop in the number of students) might put pressure on our free reserves. To date however, our cashflow predictions suggest the likelihood of this risk having a material impact remain low.

The most significant non-financial risks are that the Academy fails to meet its legal responsibilities concerning safeguarding, data protection and employment law, and that it fails to protect its IT systems and data, particularly given the increase in online working during the pandemic. The Board includes trustees with practical experience of safeguarding and legal and data protection issues and has commissioned independent IT and estates advice that will help mitigate these risks.

Finally, as the pandemic continues and our pupil numbers grow, we have recognised two related risks:

- *That the number of our students and staff experiencing poor mental health continues to increase, adversely impacting upon our ability to deliver our full curriculum offer.* Although we have successfully run completely online and offered blended tuition for short bursts of time, we are not complacent about the long-term impact of the continued uncertainty on our people. We have encouraged all staff and students to consider their emotional well-being and to seek help if they are experiencing symptoms of stress, anxiety, or burnout. We offer support and guidance to those who need it and are looking at ways to increase the range and amount of resource available.
- *That the Academy's teaching premises are not accessible nor fit for future purpose, in terms of capacity and quality.* In the short term we have been able to hire alternative premises for socially distanced face-to-face ensemble tuition when our usual premises have not been available. And in the longer term these risks are being addressed by the Harmony Works project, which has its own Project Risk Register. The trustees have sought advice and input from organisations and individuals who have expertise and track record in running significant capital projects and are establishing a new charitable entity and trading subsidiary for the delivery of the project, with the relevant expertise and track record.

PLANS FOR 2021-22 AND BEYOND

We have worked imaginatively to create a flexible, 'virus resilient' timetable with options that allow us to continue our delivery of first-rate musical tuition during the 2021-22 academic year irrespective of the current virus control measures in place.

We are immensely proud of the extra hard work and dedication shown by our staff, students and families during this time. So many of the benefits of studying an instrument come from learning how to make music with others: ensemble playing is a key part of musical tuition; learning to lead; to follow; to listen; to interact. We will not always be able to offer quite this kind of experience online, but it is undoubtedly one of the most valuable and enjoyable parts of being a musician. We therefore envisage suspending ensemble work only when absolutely necessary and introducing more intense periods of ensemble tuition when this is allowed.

Sheffield Music Academy

Trustees' Report (*continued*) for the year ended 31 July 2021

Looking to the future, the Sheffield Music Academy has plans to:

- Continue to work closely with the DfE Music and Dance Scheme as it improves processes for greater efficiency and transparency
- Continue to grow the standard and numbers of student applications, and to further strengthen our teaching staff.
- Re-introduce in person concerts and events with a focus on quality and showcasing the hard work of our students
- Re-introduce the remaining musical offerings, such as choir, that have been impacted by Covid-19 closures.
- Expand our offering to include a concert band, offering opportunities for students to experience new genres of music
- Strengthen ties with community partners to deliver outreach work and expand on the Healthy Holidays work undertaken in summer 2021
- Recruit new members of the administrative team to support the work of the General Manager and place a greater focus on marketing and publicity of the Academy to encourage more student applications from those in greatest need, and to continue to attract new audiences and new members of teaching staff.
- Increase fundraising activity for purchase of additional instruments to support expansion of SMA
- Continue to build towards the full realisation of our vision for Harmony Works.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of Sheffield Music Academy for the purposes of company law) are responsible for preparing the Trustees' Annual Report and 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 accounting period, 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 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the charitable company will not 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 or the prevention and detection of fraud and irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy's website.

The Trustee's Annual Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The company is currently exempt from a statutory audit because its annual gross income does not exceed £1 million.

Approved by the Trustees of Sheffield Music Academy on 31 January 2022 and signed on their behalf by:



Ian Falconer
Interim Chair
Sheffield Music Academy

Independent Examiner's report to the Trustees of Sheffield Music Academy ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 July 2021

Responsibilities and basis of report

As the charity's trustees of the Company (and 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 statement

Since the Charity'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 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.

Signed: 

Sarah Lightfoot
Employee of:
VAS Community Accountancy
The Circle
33, Rockingham Lane
Sheffield
S1 4FW

Date: 17 March 2022

Sheffield Music Academy

Statement of financial activities

(incorporating the income and expenditure account)

For the year ended 31 July 2021

					As restated - see note 18		
		Unrestricted funds	Restricted funds	Total	Unrestricted	Restricted	Total
	Notes	£	£	2021	funds	funds	2020
				£	£	£	£
Income from:							
Grants and donations	2	11,519	97,745	109,264	12,157	98,510	110,667
Charitable activities	3	335,854	-	335,854	355,697	-	355,697
Fundraising	4	-	-	-	3,585	-	3,585
Investments - bank interest		86	-	86	358	-	358
Other - profit on sale of assets		-	-	-	542	-	542
		347,459	97,745	445,204	372,339	98,510	470,849
Expenditure on:							
Charitable activities	5	342,169	111,377	453,546	362,243	82,152	444,395
		342,169	111,377	453,546	362,243	82,152	444,395
Net income/(expenditure)		5,290	(13,632)	(8,342)	10,096	16,358	26,454
Transfers	11	(7,784)	7,784	-	(3,144)	3,144	-
Gain on revaluation of fixed asset	8	-	-	-	-	-	-
Net movement in funds		(2,494)	(5,848)	(8,342)	6,952	19,502	26,454
Total funds brought forward - as originally stated							
		177,882	26,662	204,544	174,804	7,160	181,964
Prior year adjustment	18	15,629	-	15,629	11,755	-	11,755
Total funds brought forward as restated		193,511	26,662	220,173	186,559	7,160	193,719
Total funds carried forward		191,017	20,814	211,831	193,511	26,662	220,173

Sheffield Music Academy

Balance Sheet As at 31 July 2021

		<i>As restated</i>	
	Notes	Total 2021 £	Total 2020 £
Fixed assets	8	97,663	92,767
Current assets			
Debtors	9	33,976	29,571
Cash at bank and in hand		131,305	134,845
Total current assets		165,281	164,416
Creditors: amounts falling due within one year	10	(51,113)	(37,010)
Net current assets		114,168	127,406
Total assets less current liabilities		211,831	220,173
Creditors: amounts falling due after more than one year		-	-
Total net assets		211,831	220,173
Represented by:			
Funds of the Charity			
General Funds		139,071	151,851
Designated funds	12	19,667	9,381
Revaluation Reserve	13	32,279	32,279
Unrestricted Funds Total		191,017	193,511
Restricted Funds	14	20,814	26,662
Total Funds	15	211,831	220,173

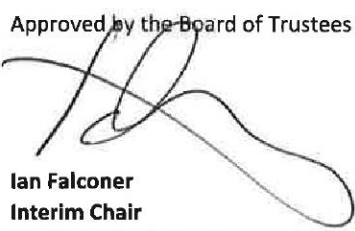
For the year ending 31 July 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The director's acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime.

Approved by the Board of Trustees on 31 January 2022 and signed on their behalf by:


Ian Falconer
Interim Chair
Sheffield Music Academy

Notes to the Accounts
For the year ended 31 July 2021

1 Accounting Policies

(a) General

Sheffield Music Academy is a charitable company in the United Kingdom limited by guarantee. In the event that the charity is wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and with the Charities Act 2011. The financial statements have taken advantage of the exemption to prepare a Statement of Cash Flows.

Sheffield Music Academy meets the definition of a public benefit entity under FRS 102. The financial statements are prepared under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £.

(b) Income

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

(c) Donated goods and services

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(d) Expenditure and irrecoverable VAT

Expenditure is recognised 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.

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

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(f) Tangible fixed assets

The following accounting policy has been revised during the year - see note 18

Depreciation has been calculated to write down the cost or valuation, less estimated residual value, of all tangible fixed assets over their expected useful lives, as follows:

Instruments collection	At valuation
Working instruments	10 years straight line or no depreciation
Office equipment	5 years straight line

The Trustees have undertaken to carry out an impairment review of the Instruments collection each year, to ensure no significant factor has affected the value during the year. In addition to this, all the instruments in the Instruments collection will be revalued by an expert every 3-5 years with any movement in the valuation being reflected in the asset valuation and the revaluation reserve.

(g) Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

(h) Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the Accounts - continued
For the year ended 31 July 2021

1 Accounting Policies - continued**(i) Funds**

Unrestricted funds are donations and other income receivable or generated for the objects of the organisation without further specified purpose and are available as general funds.

Designated funds are funds set aside at the discretion of the trustees for a specific project.

Restricted funds are to be used for specific purposes as laid down by the funder.

(j) Taxation

As a charity, Sheffield Music Academy is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

(k) Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

(l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that, despite the DfE having yet to confirm the funding for 2022-23, the organisation has sufficient reserves to continue for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2 Income from grants and donations

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Concert Donations	262	-	262	2,194	-	2,194
Friends of Sheffield Music Academy	-	-	-	550	-	550
Other Donations	2,942	-	2,942	1,413	-	1,413
GRI Group	5,000	-	5,000	5,000	-	5,000
D'Oyly Carte Foundation	-	-	-	-	2,872	2,872
Sheffield City Council - coronavirus business grant scheme	3,315	-	3,315	3,000	-	3,000
<u>Bursaries</u>						
The Amber Trust	-	1,930	1,930	-	525	525
<u>Harmony Works</u>						
Architectural Heritage Fund	-	61,315	61,315	-	21,113	21,113
CMS LLP - donation in kind	-	26,000	26,000	-	36,000	36,000
Falconer Associates Ltd	-	3,500	3,500	-	-	-
Sheffield City Council - Harmony Works	-	5,000	5,000	-	38,000	38,000
	11,519	97,745	109,264	12,157	98,510	110,667

3 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Fees paid by Department for Education	224,444	-	224,444	256,008	-	256,008
Fees paid by parents	110,293	-	110,293	94,816	-	94,816
Artistic Projects	-	-	-	432	-	432
Instrument Hire	835	-	835	480	-	480
Other income	282	-	282	3,961	-	3,961
	335,854	-	335,854	355,697	-	355,697

Notes to the Accounts - continued
For the year ended 31 July 2021

4	Net income from fundraising activities	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
		£	£	£	£	£	£
	Music Marathon	-	-	-	3,585	-	3,585
		-	-	-	3,585	-	3,585

5 Expenditure on charitable activities

				As restated - see note 18			
	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Permanent staff costs	6	280,951	23,311	304,262	276,613	6,589	283,202
Temporary staff and deputies		3,567	-	3,567	19,613	-	19,613
Academic costs		21,449	-	21,449	17,846	-	17,846
Staff training		1,071	-	1,071	2,040	-	2,040
Rent and premises costs		9,098	-	9,098	11,790	-	11,790
Artistic project expenditure		1,617	-	1,617	68	-	68
Administration costs		6,585	-	6,585	12,830	-	12,830
Marketing		1,936	-	1,936	5,113	-	5,113
Insurance		475	-	475	1,546	-	1,546
Depreciation	8	4,304	-	4,304	5,301	-	5,301
Bank charges		90	-	90	127	-	127
Bad debts (written off) or provision made		5,638	-	5,638	4,247	-	4,247
Independent examination fee	7	2,100	-	2,100	2,100	-	2,100
Department for Education grant audit		960	-	960	960	-	960
Payroll services (including pension charges)		2,328	-	2,328	2,036	-	2,036
Legal and professional fees		-	-	-	13	-	13
Harmony Works feasibility project		-	88,066	88,066	-	75,563	75,563
Total charitable expenditure		342,169	111,377	453,546	362,243	82,152	444,395

6 Staff Costs

	2021	2020
	£	£
Salaries	292,999	274,327
Employer's national insurance contributions	8,837	7,606
Employer's allowance	-	(775)
Employer's pension contributions	2,426	2,044
	304,262	283,202

The average number of monthly employees was 35 (2020: 32). No employee received emoluments of more than £60,000 in the year.

Notes to the Accounts - continued
For the year ended 31 July 2021

7 Fees paid to independent examiner's organisation

	2021 £	2020 £
Independent examination fee	<u>2,100</u>	<u>2,100</u>
Other fees paid:		
Department for Education grant audit	960	960
Payroll	2,328	2,036
Software licence	252	252
Fees for other work done	-	42
	<u>3,540</u>	<u>3,290</u>

8 Tangible Fixed Assets - restated

	Instrument collection £	Working instruments £	Office equipment £	Total £
Cost or Valuation				
As at 1 August 2020	40,000	86,240	4,988	131,228
Additions	-	9,200	-	9,200
Disposals	-	-	-	-
As at 31 July 2021	<u>40,000</u>	<u>95,440</u>	<u>4,988</u>	<u>140,428</u>
Depreciation				
As at 1 August 2020 - as restated	-	33,473	4,988	38,461
Depreciation charge	-	4,304	-	4,304
Disposals	-	-	-	-
As at 31 July 2021	<u>-</u>	<u>37,777</u>	<u>4,988</u>	<u>42,765</u>
Net Book Value				
As at 31 July 2021	<u>40,000</u>	<u>57,663</u>	<u>-</u>	<u>97,663</u>
As at 31 July 2020 - as restated	<u>40,000</u>	<u>52,767</u>	<u>-</u>	<u>92,767</u>

Working instruments include 15 instruments that are considered to hold their value - therefore no depreciation has been charged on these assets.

9 Debtors

	2021 £	2020 £
Fees payable by Department for Education	11,850	10,731
Fees payable by parents	9,298	13,574
Other debtors	-	4,098
Prepayments	12,828	1,168
	<u>33,976</u>	<u>29,571</u>

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	17,254	5,291
July Salaries	23,489	21,048
Other taxes and social security	3,520	2,925
Other creditors	651	465
Accruals	6,199	7,281
	<u>51,113</u>	<u>37,010</u>

Notes to the Accounts - continued
For the year ended 31 July 2021

11 Harmony Works

	Restricted Fund Note 14 £	Designated Fund Note 12 £	Total Funds £
Income from grants and donations	95,815	-	95,815
Expenditure on charitable activities	(111,377)	-	(111,377)
Net income/(expenditure)	(15,562)	-	(15,562)
<u>Transfers</u>			
SMA contribution set aside re match funding for the year	-	20,000	20,000
Use of SMA contribution on expenditure during the year	9,714	(9,714)	-
Total transfers	9,714	10,286	20,000
Net movement in funds	(5,848)	10,286	4,438
Fund balances brought forward	21,662	9,381	31,043
Fund balances carried forward	15,814	19,667	35,481
Restricted fund - grants provided by external funders, and project expenditure			
Designated fund - funds set aside by the trustees for match funding			
<i>Prior year comparison</i>	<i>Restricted Fund £</i>	<i>Designated Fund £</i>	<i>Total Funds £</i>
Income from grants and donations	95,113	-	95,113
Expenditure on charitable activities	(82,152)	-	(82,152)
Net income/(expenditure)	12,961	-	12,961
<u>Transfers</u>			
SMA contribution set aside re match funding for the year	-	12,000	12,000
Use of SMA contribution on expenditure during the year	7,335	(7,335)	-
Use of SMA contribution on 2018 expenditure previously funded from general funds	-	(600)	(600)
Total transfers	7,335	4,065	11,400
Net movement in funds	20,296	4,065	24,361
Fund balances brought forward	1,366	5,316	6,682
Fund balances carried forward	21,662	9,381	31,043

Notes to the Accounts - continued
For the year ended 31 July 2021

12 Designated funds

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Harmony Works	9,381	-	-	10,286	19,667
	9,381	-	-	10,286	19,667

Harmony Works

The trustees determined to set aside £20,000 in the 20/21 financial year towards the match funding element of the feasibility stage of the Harmony Works project (see the trustees' report for further detail). £9,714 was transferred into the restricted fund for the match funding of expenditure in the financial year, leaving a balance of £19,667 carried forwards for future costs.

Prior year comparison

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Harmony Works	5,316	-	-	4,065	9,381
	5,316	-	-	4,065	9,381

Harmony Works

The trustees determined to set aside £12,000 in the 19/20 financial year towards the match funding element of the feasibility stage of the Harmony Works project (see the trustees' report for further detail). £7,335 was transferred into the restricted fund for the match funding of expenditure in the financial year, and £600 transferred to the general funds to match expenditure from 2018/19, leaving a balance of £9,381 carried forwards for future costs.

13 Revaluation reserve

	2021 £	2020 £
Revaluation reserve brought forward	32,279	32,279
Revaluation during the year	-	-
Revaluation reserve carried forward	32,279	32,279

14 Restricted funds

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Ensemble 360 Academy Project	5,000	-	-	-	5,000
Harmony Works	21,662	95,815	(111,377)	9,714	15,814
Bursaries	-	1,930	-	(1,930)	-
	26,662	97,745	(111,377)	7,784	20,814

Ensemble 360 Academy Project

This project is funded by Sheffield Town Trust, The Freshgate Trust Foundation and JG Graves Charitable Trust. The project was due to take place in the financial year 2019-20, but remains postponed due to COVID-19.

Harmony Works

Money is being raised towards the feasibility stage of the Harmony Works project (see the trustees' report for further detail).

Bursaries

This fund represents monies given to the Academy to provide additional funding to those students that demonstrate a clear need for tuition fee support. The Academy has provided discounted fees to a number of students which totalled £1,930 this year, which has therefore been transferred to unrestricted funds.

Prior year comparison

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Ensemble 360 Academy Project	5,000	-	-	-	5,000
The D'Oyly Carte Charitable Trust	-	2,872	-	(2,872)	-
Harmony Works	1,366	95,113	(82,152)	7,335	21,662
Bursaries	794	525	-	(1,319)	-
	7,160	98,510	(82,152)	3,144	26,662

Notes to the Accounts - continued
For the year ended 31 July 2021

14 Restricted funds - continued**Ensemble 360 Academy Project**

This project is funded by Sheffield Town Trust, The Freshgate Trust Foundation and JG Graves Charitable Trust. The project was due to take place in the financial year 2019-20, but was cancelled due to COVID-19.

The D'Oyly Carte Charitable Trust

Monies were given towards the purchase of new instruments. These instruments were purchased in the year, and as the use of the assets is unrestricted, the grant has been transferred to unrestricted funds.

Harmony Works

Money is being raised towards the feasibility stage of the Harmony Works project (see the trustees' report for further detail). The transfer of £7,335 of unrestricted funds represents the match funding element of the Company (see note 11).

Bursaries

This fund represents monies given to the Academy to provide additional funding to those students that demonstrate a clear need for tuition fee support. The Academy has provided discounted fees to a number of students which totalled £1,319 this year, which has therefore been transferred to unrestricted funds.

15 Analysis of net assets between funds

	General Funds	Designated Funds	Restricted Funds	Total 2021
	£	£	£	£
Tangible fixed assets	97,663	-	-	97,663
Current assets	110,411	19,667	35,203	165,281
Creditors: amounts falling due within one year	(36,724)	-	(14,389)	(51,113)
	171,350	19,667	20,814	211,831
<i>Prior year comparison - as restated</i>	<i>General Funds</i>	<i>Designated Funds</i>	<i>Restricted Funds</i>	<i>Total 2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Tangible fixed assets	92,767	-	-	92,767
Current assets	125,367	9,381	29,668	164,416
Creditors: amounts falling due within one year	(34,004)	-	(3,006)	(37,010)
	184,130	9,381	26,662	220,173

16 Trustees and key management remuneration, benefits and expenses

The trustees were not paid or received any other benefits from employment with the charity in the year for their role as trustees (2020: £nil). No trustees were reimbursed expenses during the year (2020: £nil).

Emily Pieters, trustee, received payment of £18,200 in the year for being the project manager of the Harmony Works project (2020: £nil). Permission was obtained from the Charity Commission to make these payments as required by the constitution.

No other charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Key management, consisting of trustees and the Music Director, received total employee benefits of £49,299 during the year (2020: £41,831). The Music Director was paid for an additional 0.5 days per week during 20/21.

17 Related Party Transactions

Falconer Associates Limited, a company owned by trustee Ian Falconer and his wife, provide pro-bono PR advice of £3,500 to the Harmony Works project during the year.

There were no other related party transactions other than those listed above and in note 16.

Notes to the Accounts - continued
For the year ended 31 July 2021

18 Prior year adjustment

The trustees have reviewed the fixed asset policy and categorisation during the year. This has resulted in a change to the accounting policy - see note 1 of the accounts. The trustees have determined that the change in accounting policy requires a prior year adjustment (as opposed to a change in accounting estimate) and therefore the prior year figures have been restated.

The changes to the policy are summarised below:

Previous asset type	Previous policy	Revised policy	Revised asset type
Musical Instruments of significant value	At valuation	At valuation	Instruments collection
Other Musical Instruments	20% Reducing Balance	10 years straight line or not depreciated	Working instruments
Office equipment	20% Reducing Balance	5 years straight line	Office equipment

Tangible fixed assets - previous year revised note 8

	Instrument collection £	Working instruments £	Office equipment £	Total £
Cost or Valuation				
As at 1 August 2019	40,000	78,423	4,988	123,411
Additions	-	10,027	-	10,027
Disposals	-	(2,210)	-	(2,210)
As at 31 July 2020	<u>40,000</u>	<u>86,240</u>	<u>4,988</u>	<u>131,228</u>
Depreciation				
As at 1 August 2019 - restated	-	29,611	3,991	33,602
Depreciation charge - restated	-	4,304	997	5,301
Disposals	-	(442)	-	(442)
As at 31 July 2020	<u>-</u>	<u>33,473</u>	<u>4,988</u>	<u>38,461</u>
Net Book Value				
As at 31 July 2020	<u><u>40,000</u></u>	<u><u>52,767</u></u>	<u><u>-</u></u>	<u><u>92,767</u></u>
As at 31 July 2019	<u><u>40,000</u></u>	<u><u>48,812</u></u>	<u><u>997</u></u>	<u><u>89,809</u></u>
Depreciation				
As at 1 August 2019 - restated - as originally stated	-	41,761	3,596	45,357
Prior year adjustment	-	12,150	(395)	11,755
Depreciation charge - restated - as originally stated	-	8,896	279	9,175
Adjustment to 19/20 depreciation charge	-	4,592	(718)	3,874
Cumulative depreciation adjustment	<u><u>-</u></u>	<u><u>16,742</u></u>	<u><u>(1,113)</u></u>	<u><u>15,629</u></u>