

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	<i>co-opted 05 October 2020, appointed 18 January 2021</i>
	Ms T Cooper (Chair)	<i>re-appointed 18 January 2023 (Chair from 04 October 2022)</i>
	Mr I Falconer (Treasurer)	<i>re-appointed 18 January 2023 (Interim Chair 28 Jun 2021 - 04 Oct 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, resigned 02 January 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
Seven Hills Accountants Limited
57 Burton Street
Sheffield, S6 2HH

Bankers	Virgin Money (<i>formally Yorkshire Bank</i>)	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 2023

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 funds	Restricted funds	Funds 2023	Funds 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 funds	Restricted funds	Funds 2023	Funds 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 funds	Restricted funds	Funds 2023	Funds 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>