

Charity registration number 1187484

Company registration number 11989947 (England and Wales)

SOUND ROOMS LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

SOUND ROOMS LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Mr C E Cade Mr P Chivers Mr A Comben
Secretary	Mr S C Dance
Charity number	1187484
Company number	11989947
Registered office	Kintyre House 70 High Street Fareham Hampshire United Kingdom PO16 7BB
Independent examiner	Alliott Wingham Limited Kintyre House 70 High Street Fareham Hants PO16 7BB

SOUND ROOMS LTD

CONTENTS

	Page
Directors' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Statement of cash flows	6
Notes to the financial statements	7 - 11

SOUND ROOMS LTD

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2023

The directors present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document dated 21 January 2021, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Public benefit

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Activities

Sound Rooms provides inclusive music education and training to children, young people and adults across Brighton and beyond. Young people, especially those with SEND, face many barriers to playing music mainly due to a lack of opportunities to develop their music skills. Sound Rooms is a unique and exciting development which will tackle these barriers by driving a step change in music education.

Achievements and performance

Significant activities and achievements against objectives

Financial review

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The directors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Structure, governance and management

The charity is a company limited by guarantee.

The directors who served during the year and up to the date of signature of the financial statements were:

Mr C E Cade

Mr P Chivers

Mr A Comben

Recruitment and appointment of trustees

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Organisational structure

SOUND ROOMS LTD

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 AUGUST 2023***

The directors' report was approved by the Board of Directors.

Mr C E Cade
Director

29 February 2024

SOUND ROOMS LTD

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF SOUND ROOMS LTD

I report to the directors on my examination of the financial statements of Sound Rooms Ltd (the charity) for the year ended 31 August 2023.

Responsibilities and basis of report

As the directors of the charity (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 financial statements of the charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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 that in any material respect:

- 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 financial statements to be reached.

Alliott Wingham Limited

Kintyre House
70 High Street
Fareham
Hants
PO16 7BB

Dated: 29 February 2024

SOUND ROOMS LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from:			
Charitable activities	2	50,158	31,775
Charitable expenditure	3	27,714	23,770
Net income and movement in funds		22,444	8,005
Reconciliation of funds:			
Fund balances at 1 September 2022		8,005	-
Fund balances at 31 August 2023		30,449	8,005

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

SOUND ROOMS LTD

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Cash at bank and in hand		43,266		19,807	
Creditors: amounts falling due within one year	8	<u>12,817</u>		<u>11,802</u>	
Net current assets			<u>30,449</u>		<u>8,005</u>
The funds of the charity					
Unrestricted funds			<u>30,449</u>		<u>8,005</u>
			<u>30,449</u>		<u>8,005</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the directors on 29 February 2024

Mr C E Cade
Trustee

Company registration number 11989947 (England and Wales)

SOUND ROOMS LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	11		23,459		19,215
Net cash used in investing activities			-		-
Financing activities					
Repayment of borrowings		-		592	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			-		592
			<u> </u>		<u> </u>
Net increase in cash and cash equivalents			23,459		19,807
Cash and cash equivalents at beginning of year			19,807		-
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u> 43,266 </u>		<u> 19,807 </u>

SOUND ROOMS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

Sound Rooms Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Kintyre House, 70 High Street, Fareham, Hampshire, PO16 7BB, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SOUND ROOMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.7 Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SOUND ROOMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

2 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income		
Sale of goods	50,158	31,775

3 Expenditure on charitable activities

	Charitable Expenditure 2023 £	Charitable Expenditure 2022 £
Direct costs		
Rates	-	1,137
Cleaning	13,571	9,632
Computer Running Costs	450	421
Insurance	2,342	2,103
Telephone	78	60
Sundry	13	13
Penalties	-	150
Accountancy	525	654
Power, light & heat	963	9,600
Legal & Professional fees	9,748	-
Printing, postage & stationery	24	-
	27,714	23,770
Analysis by fund		
Unrestricted funds	27,714	23,770

4 Directors

None of the directors (or any persons connected with them) received any remuneration or benefits from the charity during the year.

5 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
3	3

There were no employees whose annual remuneration was more than £60,000.

SOUND ROOMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

6 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

7 Loans and overdrafts

	2023 £	2022 £
Directors' loans	592	592
Payable within one year	592	592

8 Creditors: amounts falling due within one year

	2023 £	2022 £
Borrowings	592	592
Accruals and deferred income	12,225	11,210
	12,817	11,802

9 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2022 £	Incoming resources £	Resources expended £	At 31 August 2023 £
General funds	8,005	50,158	(27,714)	30,449
Previous year:	At 1 September 2021 £	Incoming resources £	Resources expended £	At 31 August 2022 £
General funds	-	31,775	(23,770)	8,005

10 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

SOUND ROOMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

11	Cash generated from operations	2023 £	2022 £
	Surplus for the year	22,444	8,005
	Movements in working capital:		
	Increase in creditors	1,015	11,210
	Cash generated from operations	<u>23,459</u>	<u>19,215</u>

12 Analysis of changes in net funds

The charity had no material debt during the year.