

The Organisation for New Music and Sound

"Sound and Music"

Registered charity
Company limited by guarantee

Annual Report and Financial Statements

Year Ended 31 March 2015

Charity number: 1124609
Company number: 06581022



**The Organisation for New Music and Sound
Annual Report and Financial Statements
For the Year Ended 31 March 2015**

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**The Organisation for New Music and Sound
Annual Report and Financial Statements
For the Year Ended 31 March 2015**

Reference and Administrative Information

Governing document:	Memorandum and Articles of Association
Other name by which the charity makes itself known:	Sound and Music
Charity number:	1124609
Company number:	06581022
Trustees:	Sasha Afanasieva (Elected September 2014) David Castell (Elected September 2014) Edward Corn Gregory Davies (Elected September 2014) Matthew Dodd-Adkins Clifford Fluet Christopher Fox Debra King John Knell Jean-Baptiste Thiebaut (Elected December 2014) Michelle Wright (Resigned June 2014)
Chief Executive:	Susanna Eastburn
Registered Office:	Somerset House Strand London WC2R 1LA
Auditors:	Clarity Chartered Accountants 2 Lancaster Close Stevenage Hertfordshire SG1 4RX
Investment managers:	Seven Investment Management Limited 125 Old Broad Street London EC2N 1AR
Principal bankers:	CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Solicitors:	Bircham Dyson Bell 50 Broadway London SW1H 0BL

The Organisation for New Music and Sound

Report of the Trustees

For the Year Ended 31 March 2015

The trustees of The Organisation for New Music and Sound, operating as "Sound and Music", are pleased to present their report together with the audited financial statements for the year ended 31 March 2015.

The reference and administrative information set out on page 1 forms part of this report.

The financial statements comply with current statutory requirements and the Statement of Recommended Practice – "Accounting and Reporting by Charities" (revised 2005).

1. KEY ACHIEVEMENTS IN 2014-15

This was a busy and rewarding year for the charity, with all programmes and activities operating at full stretch following the programme relaunch the previous year. Income generation also continued to improve, reflecting the growth in activity and also the growing national and international reputation of Sound and Music.

Some headline achievements include:

- Producing Living Symphonies, a new musical composition which grows in the same way as a forest ecosystem. Portraying the thriving activity of the forest's wildlife, plants and atmospheric conditions, Living Symphonies creates a never-ending symphony heard amongst the forest itself. Composed and realised by James Bulley and Daniel Jones, Living Symphonies took place across four of England's forests during summer 2014, in partnership with Forestry Commission England and with support from Arts Council England's Strategic Touring fund;
- Minute of Listening was rolled out nationally. Minute of Listening is an education project that provides primary-aged children with the opportunity to hear sixty seconds of creative listening every day of the school year, encouraging them to reflect on their experience. Through using a simple piece of software, teachers can bring a wealth of sonic learning resources into their classrooms that support a range of curriculum areas. Children from all backgrounds can develop their imagination and acquire important skills and behaviours;
- In partnership with NMC Recordings, 12 composers studying in higher education were selected to participate in Next Wave, a 6-month programme involving workshops with professional artists and musicians, mentoring from professional composers, advice about recording techniques and the music industry, plus a public performance at Huddersfield Contemporary Music Festival and a recording on NMC Recordings;
- We piloted two ground-breaking programmes in data and audience development: Creative Data Club, and the Audience Development Incubator;
- We achieved significant profile for new music and its creators, notably through the findings of our Commissioning Survey which was picked up across mainstream and specialist media, in the UK and internationally;
- We worked intensively with 49 composers in talent development residencies with a range of partner organisations including BCMG, Somerset House, Red Note Ensemble plus voluntary ensembles in partnership with Making Music. Composers involved in these programmes have fed back details of further commissions and relationships that have resulted from being involved with Sound and Music;
- We organised our second Composer Conference, attended by over 50 composers;
- We launched New Voices 2014, an online promotional platform for composers involved in our talent development programmes. New Voices also sits within the wider online platform for the British Music Collection, which offers a wealth of information and resources about 20th and 21st century British new music and composers. Public exploration of this online resource continued to grow, also aided by our ongoing partnership with the Google Cultural Institute which enables us to present 'exhibitions' of new music through the GCI to a large global audience;
- We delivered the annual residential Summer School for 75 young composers aged 14-18;
- We moved to the next phase of Listen Imagine Compose (our action research project exploring how teachers teach, and how pupils learn, creative composition. This year there was a particular focus on testing effective continuing professional development for teachers, in partnership with BCMG and Birmingham City University in the West Midlands, and with Teach Through Music in London.

Sound and Music's Vision, Mission and Values:

Our vision: a world where new music helps everyone listen.

Our mission: to maximise the opportunities for people to create and enjoy new music.

Our values: we are open, accountable, curious, generous and positive.

The Organisation for New Music and Sound

Report of the Trustees

For the Year Ended 31 March 2015

Organisational development

Following the successful outcome of our application to Arts Council England's National Portfolio Organisation funding in July 2014, we updated, refreshed, completed and signed off a business plan covering the period to March 2018. The business plan includes ambitions to greatly increase the audience reach and earned income of Sound and Music, through identifying and incubating more commercially driven but mission congruent activities. It also includes a revised Equality Policy and also a wide-ranging Equality Action Plan which has been created to guide the organisation in significantly diversifying the range of composers and artists it works with.

2014-15 also saw the development and implementation of a planned programme of activity, funded by the restricted Organisational Development fund, to greatly improve how our online platforms enable single customer view and high quality CRM, as well as generating high quality data and analytics which can be of benefit to the wider sector as well as Sound and Music's own activities. This activity will continue into 2015-16.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Sound and Music is a registered charity and a company limited by guarantee. Sound and Music was incorporated on 30 April 2008 and registered as a charity on 20 June 2008. Sound and Music is governed by its Memorandum and Articles of Association.

Sound and Music is constituted as a company limited by guarantee and has no share capital. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £1.

The Board and its role

The governing body for Sound and Music is the Board, whose members are non-executive and unpaid. They are directors of the company under the Companies Act and trustees under charity law. The Board gives strategic and policy direction for the organisation. According to the Memorandum and Articles of Association, Sound and Music shall have at least 3 but no more than 12 trustees. At each annual general meeting one quarter of the trustees, being those longest in office, shall retire from office and offer themselves for re-election.

In 2014-15 the Sound and Music Board:

- Successfully secured Arts Council funding for 2014-18;
- Signed off an ambitious business plan covering this period;
- Reviewed the investment policy for the AA Paul Memorial Fund, and
- Approved a new Equality Action Plan and Equality Policy.

The Board met four times in the period, preceded four times by the Finance Sub-Committee. Meetings of the Sound and Music Board were attended by the Chief Executive and Executive Assistant. Other members of executive attended to report on relevant agenda items.

Board appointments procedure

Board members can be co-opted by the existing Board from outside of its membership. Once a year the Board will review its membership against a set of competencies and knowledge to ensure that the organisation has access to a broad range of reference in its governance.

During the period, Jean-Baptiste Thiebaut was elected as a new member of the Board.

Finance Sub-Committee

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

**The Organisation for New Music and Sound
Report of the Trustees
For the Year Ended 31 March 2015**

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

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

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

3. OBJECTIVES AND ACTIVITIES

Purposes and objectives

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

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

The Objectives of the Charity as defined in the business plan are:

- More talented composers thriving artistically and professionally;
- A much greater national audience for new music;
- High quality creative composition teaching embedded in more schools and music education hubs;
- A stronger, more coherent and collaborative new music community;
- Much greater profile for new music and its creators within the cultural landscape;
- Significant new financial and in-kind resources leveraged into new music.

Public benefit

The Board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. Benefits to the public of Sound and Music's activities include:

- Working in partnership with other organisations to develop composers' talent, and to create ambitious new work which is presented publicly;
- Supporting new music to get to more people nationally, especially outside London, including through our touring programmes;
- Supporting composers to develop new skills, networks and the capabilities necessary to thrive in a new music career;
- Education work nationally: both in schools, and out of schools (including our acclaimed Summer School for composers aged 14-18, the only activity of its kind in the UK);
- On-line access to a vast range of resources, from national collections of music scores and recordings to blogs, opportunities for composers, toolkits, research and evaluation;
- Disseminating information about new music, in the form of newsletters, information about upcoming events, social media and public events;
- Access to the British Music Collection, 30,000 20th and 21st century music scores located in the Music Library, University of Huddersfield and also catalogued online;
- Increasing our own and the new music sector's understanding and use of data, so as better to communicate with the public and stimulate their interest in new music.

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

The Organisation for New Music and Sound

Report of the Trustees

For the Year Ended 31 March 2015

Ensuring our work delivers our aims

The Board evaluates and reviews the aims, objectives and activities each year as part of the business planning cycle. This review looks at what the charity achieved and the outcomes of its work in the previous 12 months, including progress against agreed key performance indicators. 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 the Board ensure that the charity's aims, objectives and activities remain focused on its stated charitable purposes.

4. FINANCIAL REVIEW

Overview

Sound and Music's total income for the year was £1,176,716 (2013-14: £1,103,206), of which £704,659 (2013-14: £701,811) was represented by the core grant from Arts Council England. Income from productions and fundraising was £427,650 (2013-14: £396,467). Income from other core grants, donations and membership subscriptions was £41,993 (2013-14: £1,423) including a donation of £25,104 from the residual assets of the George Butterworth Memorial Fund, and investment income totalled £2,414 (2013-14: £3,505). The organisation expended £1,259,136 (2013-14: £1,063,953), again reflecting the growth in income generation and charitable activities.

In an environment for public and charitable fundraising which remains extremely challenging across the arts and charitable sectors, the progress of the organisation in diversifying and increasing income beyond the core Arts Council England was an achievement. Continuing this trend, and in particular increasing earned revenue, is a key strategic objective for Sound and Music and embedded into key performance indicators. By March 2016 we expect the percentage of total income from Arts Council England's core grant to have fallen significantly further still. With this in mind, a dedicated full time fundraiser was appointed during the year, with corresponding increase in the cost of generating funds.

The total net movement in funds for the year was £53,365 (2013-14: £84,255), which was made up of net outgoing resources on unrestricted activities of £70,148 and net incoming resources on restricted activities and the Arthur A Paul Memorial Fund of £10,658 and £112,855 respectively.

General funds

The surplus for the year on general funds before transfers was £22,285. Following a net transfer of funds of £20,000, the general funds surplus after transfers was £2,285.

Designation of funds

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

At 31st March 2014 an amount of £92,433 was transferred to the Project Completion Reserve in respect of projects which were originally budgeted for 2013-14 but in respect of which the expenditure was completed in 2014-15. The amount held at 31 March 2015 (£20,000) are funds designated for the completion of a number of projects that were mid-way at the financial year-end.

Balance on general funds

The retained surplus for the year of £2,285 has been added to accumulated funds. Accordingly, retained general funds carried forward at 31 March 2015 amount to £396,052, compared with £393,767 at 31 March 2014.

Restricted funds

At 31 March 2015 there were unexpended Organisational Development Funds of £74,740 and restricted funds relating to projects of £170,898.

Arthur A Paul – Linked Charity

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

The Organisation for New Music and Sound Report of the Trustees For the Year Ended 31 March 2015

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

The Arthur A Paul Memorial Fund investment performed well in 2014-15, with a total gain in investments of £135,785.

Further details of the management and policy of the Arthur A Paul Memorial Fund is discussed below under "Investment policy and mandate".

Reserves policy

Sound and Music's reserves policy is that the organisation shall seek to maintain general fund reserves equal to six months operating expenditure. As at 31 March 2015, the balance held on general funds (excluding the designated funds) equated to approximately 3 months of operating expenditure budgeted for 2015-16.

Financial risk assessment and management

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

The major risks to which the charity is exposed, as identified by the trustees, are reviewed and systems have been established to mitigate those risks. The trustees ensure that the management of risk is ongoing and embedded in management and operational procedures. Risk assessment and management is undertaken under the following areas:

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

Grant making

Sound and Music is not fundamentally a grant making body; however, from time to time grants are made by the organisation. Grants are usually made where it is the request of the donor that the monies concerned be expended in this way or in situations where it is appropriate for Sound and Music's involvement in projects to be funded by means of a grant.

Investment policy and mandate – Linked Charity (the Arthur A Paul Memorial Fund)

During the year the Trustees of the Arthur A Paul Memorial Fund reviewed and approved the investment policies of the funds with the aim to ensure the long term sustainability of the funds and a level of annual drawdown that would not deplete the capital investment.

The Arthur A Paul Trustees agreed to transfer £41,600 to the charitable activities of Sound and Music to support activities promoting the presentation of original work by emerging composers, musicians and artists, in accordance with the terms of the Trust Deed.

Investment Policy Statement

AA Paul Trustees have an approved Investment Policy Statement. This brings together all of the considerations that are relevant to the management of the AA Paul Memorial Fund portfolio in one place. Any investment managers appointed to manage the assets of the Fund must sign the Investment Policy Statement to acknowledge that they agree to abide by its terms.

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

The Organisation for New Music and Sound

Report of the Trustees

For the Year Ended 31 March 2015

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

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

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

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

5. FUTURE PLANS FOR SOUND AND MUSIC

With Arts Council support secured to March 2018 and a strong business plan in place, Sound and Music is now realising its true potential as a powerful national organisation that works to maximise the opportunities for people to create and enjoy new music.

Pressures on public and charitable fundraising appear set to continue, so a vital part of Sound and Music's future plans is to develop the business model in particular by increasing earned revenue. We are also committed to democratising what we do; to enable many more people to benefit from the unique networks of composers, artists, music and events that we bring together. Sound and Music is extremely fortunate to have an exceptionally strong, well-connected and entrepreneurial Board, from which a Commercial Subcommittee has been formed to support the executive in generating and realising ideas which can achieve both significant public reach and earned revenue for the organisation.

The core of our work and our mission, however, remain unchanged: in fact, feel more vital than ever. 2015-16 and beyond are years when Sound and Music will continue to be ambitious both in the quality of our work, and in growing identified areas of the programme, such as the online presence of the British Music Collection (which has the ambition and potential to be a world leading discovery environment for new music), the organisation's sector-leading work in data-driven audience development and incubating new ideas, and also our ongoing support and advocacy for composers of all sorts, including campaigning for more resource, autonomy and control over how new work is made and disseminated.

**The Organisation for New Music and Sound
Report of the Trustees
For the Year Ended 31 March 2015**

6. STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustee directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees should follow best practice and are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on that basis.

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

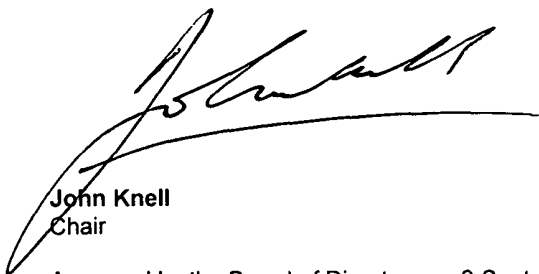
In addition, the trustee directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

7. AUDITORS

Clarity were the auditors to the charity during the year and have indicated that they no longer wish to continue in that office. A resolution will be proposed at the Annual Meeting that a new firm of auditors be appointed for the ensuing year.

By order of the Board of Trustees



John Knell
Chair

Approved by the Board of Directors on 2 September 2015.

Independent Auditors' Report to the Trustees of The Organisation for New Music and Sound Year Ended 31 March 2015

We have audited the financial statements of The Organisation for New Music and Sound for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustee's responsibilities (set out on page 8), the trustees (who are also the directors of the charitable company for the purposes of the company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

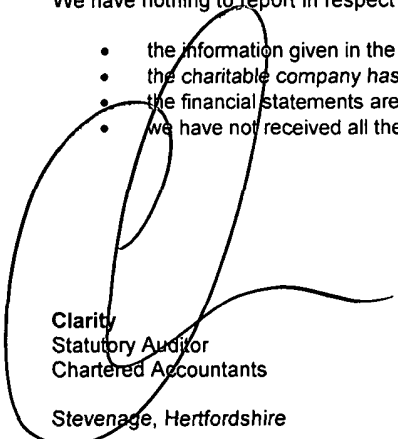
In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Clarity
Statutory Auditor
Chartered Accountants

Stevenage, Hertfordshire

2 September 2015

Clarity is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Organisation for New Music and Sound
Statement of Financial Activities (Incorporating an Income and Expenditure Account)
For the Year Ended 31 March 2015

	Note	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Arthur A Paul Memorial Fund £	Total funds 2015 £	Total funds 2014 £
Incoming resources							
Incoming resources from generated funds							
Voluntary income	2	721,548	-	-	25,104	746,652	703,234
Investment income and bank interest	3	2,398	-	-	16	2,414	3,505
Incoming resources from charitable activities							
Promotion of new music and sound	4	58,800	-	368,850	-	427,650	396,467
Total incoming resources		782,746	-	368,850	25,120	1,176,716	1,103,206
Resources expended							
Costs of generating funds	5	72,567	-	-	6,450	79,017	45,682
Charitable activities							
Promotion of new music and sound	5	633,859	92,433	328,960	41,600	1,096,852	953,690
Organisational Development	5	-	-	29,232	-	29,232	-
Governance costs	5	54,035	-	-	-	54,035	64,581
Total resources expended		760,461	92,433	358,192	48,050	1,259,136	1,063,953
Net incoming / (outgoing) resources before transfers		22,285	(92,433)	10,658	(22,930)	(82,420)	39,253
Gross transfers between funds	14	(20,000)	20,000	-	-	-	-
Net incoming / (outgoing) resources before other recognised gains and losses		2,285	(72,433)	10,658	(22,930)	(82,420)	39,253
Gains / losses on investment assets:							
Realised gains / (losses)	11	-	-	-	87,154	87,154	-
Unrealised gains / (losses)	11	-	-	-	48,631	48,631	45,002
Net movement in funds		2,285	(72,433)	10,658	112,855	53,365	84,255
Reconciliation of funds							
Total funds brought forward	14	393,767	92,433	234,980	1,043,193	1,764,373	1,680,118
Total funds carried forward	14	396,052	20,000	245,638	1,156,048	1,817,738	1,764,373

The statement of financial activities includes all gains and losses recognised in the period.
All incoming resources and resources expended derive from continuing operations.
The deficit for the year for Companies Act purposes was £82,420 (2014: Surplus £39,253).

The accompanying notes are an integral part of this statement of financial activities.

The Organisation for New Music and Sound
Balance Sheet
As at 31 March 2015

		2015	2014
	Note	£	£
Fixed assets			
Tangible assets	10	11,296	10,696
Investments	11	1,156,048	1,043,193
		<u>1,167,344</u>	<u>1,053,889</u>
Current assets			
Debtors	12	123,451	128,500
Cash at bank and in hand		598,355	719,782
		<u>721,806</u>	<u>848,282</u>
Creditors: amounts falling due within one year	13	<u>(71,412)</u>	<u>(137,798)</u>
Net current assets		650,394	710,484
Net assets		<u>1,817,738</u>	<u>1,764,373</u>
Funds and reserves			
Unrestricted funds:			
General funds	14	396,052	393,767
Designated funds	14	20,000	92,433
Restricted funds	14	245,638	234,980
Total funds - Sound and Music		<u>661,690</u>	<u>721,180</u>
Linked charity:			
Arthur A Paul Memorial Fund	14	1,156,048	1,043,193
Total funds		<u>1,817,738</u>	<u>1,764,373</u>

The directors have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006.

For the year ending 31 March 2015 the company 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 accounts 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 accounts.

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

The financial statements were approved by the trustees on 2 September 2015 and signed on their behalf by:



John Knell
Chair



Gregory Davies
Trustee

Registered Company Number 6581022

The accompanying notes are an integral part of this balance sheet.

The Organisation for New Music and Sound
Notes Forming Part of the Financial Statements
For the Year Ended 31 March 2015

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently in dealing with items considered material in relation to the financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, in accordance with the Companies Act 2006 and applicable accounting standards, and follow the recommendations in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), published in March 2005.

The financial statements incorporate the results of the A A Paul Memorial Fund, a linked charity administered and managed under the terms of a declaration of trust by the trustees of Sound and Music. The linked charity is presented as an expendable endowment in the financial statements and its results are incorporated on a line by line basis.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the trustees in furtherance of the charitable objectives of the charity.

Designated funds comprise unrestricted funds set aside by the trustees for specific future purposes or projects.

Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to conditions imposed by the donor or through the terms of an appeal.

Endowment funds comprise expendable endowment capital, over which the trustees have a power of discretion to convert into income. The investment income therefrom is credited directly to the endowment fund.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, it is certain that the income will be received and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of core grants, donations and membership subscriptions and is included in full in the Statement of Financial Activities.

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

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

Resources expended

Resources expended are recognised on an accruals basis when a liability is incurred, as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and programmes. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The Organisation for New Music and Sound
Notes Forming Part of the Financial Statements
For the Year Ended 31 March 2015

1 Accounting policies (continued)

Resources expended (continued)

Governance costs include those costs primarily associated with meeting the constitutional and statutory requirements of the charity and include the auditors' remuneration and legal fees and costs linked to the charity's compliance with regulation and good practice.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on the basis of estimates of the proportion of time spent by staff on those activities.

Pension costs

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

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Tangible fixed assets are depreciated at rates calculated to write off the cost of each asset over its estimated useful life as follows:

Office furniture	20%	Straight line basis
Equipment & computers	33%	Straight line basis

As explained in note 10, heritage assets have not been capitalised or depreciated in the financial statements.

Fixed asset investments

Investments are included on the balance sheet at mid market value at the balance sheet date. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities in the year in which they arise.

Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

The Organisation for New Music and Sound
Notes Forming Part of the Financial Statements
For the Year Ended 31 March 2015

	2015 £	2014 £
2 Voluntary income		
Grants receivable for core funding:		
Arts Council England	704,659	701,811
Donations and similar income	41,993	1,423
	<u>746,652</u>	<u>703,234</u>
3 Investment income and interest		
Investment income	16	-
Bank Interest	2,398	3,505
	<u>2,414</u>	<u>3,505</u>
4 Promotion of new music and sound		
Artist development:		
Monument Trust	120,000	50,000
Esmée Fairbairn Foundation	60,000	50,000
Good Energy	10,000	-
PRS for Music Foundation	7,500	7,500
Musicians Benevolent Fund	6,000	-
Garrick Charitable Trust	5,000	-
Museum of London	3,000	-
National Foundation for Youth Music	2,227	12,618
Samuel Gardner Memorial Trust	2,000	-
British Council	-	8,000
Birmingham Contemporary Music Group	-	7,005
Scottish Arts Council / Creative Scotland	-	2,283
Arts Fundraising & Philanthropy	-	2,000
Sector development:		
Forestry Commission	58,573	63,324
Arts Council England	51,800	64,750
Paul Hamlyn Foundation	30,000	30,000
National Foundation for Youth Music	12,750	-
Trinity Laban Conservatoire of Music and Dance	10,392	-
RVW Trust	-	12,000
Danish Composers Society	-	10,000
International Association of Music Information Centres	-	9,623
Danish Arts Council	-	9,000
Project income	40,073	43,544
Promotion and marketing	8,335	14,820
	<u>427,650</u>	<u>396,467</u>

The Organisation for New Music and Sound
Notes Forming Part of the Financial Statements
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	Direct costs £	Staff costs £	Support costs £	Total 2015 £	Total 2014 £
5 Total resources expended					
Costs of generating funds	6,450	56,764	15,803	79,017	45,682
Promotion of new music and sound:					
Artist development	292,954	118,283	32,734	443,971	363,306
Sector development	314,394	107,036	30,477	451,907	415,256
Audience development	56,520	44,808	12,416	113,744	104,792
Marketing and promotion	36,644	39,298	11,288	87,230	70,336
Organisational development	29,232	-	-	29,232	-
Governance costs	-	35,391	18,644	54,035	64,581
	<u>736,194</u>	<u>401,580</u>	<u>121,362</u>	<u>1,259,136</u>	<u>1,063,953</u>

Investment management costs

Following the transfer of the investment portfolio into mutual fund units with Seven Investment Management during 2012/13, the charity is no longer invoiced for quarterly management fees. Instead, the investment managers now charge an average annual management fee of approximately 0.94% based on the unit price. The investment managers are unable to provide the charity with an exact value of the fees charged in the year, but the trustees estimate them to be in the region of £10,300.

	Total 2015 £	Total 2014 £
6 Support costs		
Premises	59,112	57,588
Finance, legal and professional	11,931	26,872
Communications	15,598	16,582
Staff recruitment, travel, training and subsistence	13,692	9,974
Depreciation of fixed assets	4,390	9,068
General office and administration	11,114	7,495
Computer maintenance and IT	5,525	3,981
	<u>121,362</u>	<u>131,560</u>

Basis of support costs allocation

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. Therefore the support costs shown above are a best estimate of the costs that have been so allocated.

	2015 £	2014 £
7 Net incoming resources for the year		
Net incoming resources for the year is stated after charging:		
Auditors remuneration:		
Audit fee	4,950	4,950
Depreciation	4,390	9,068

The Organisation for New Music and Sound
Notes Forming Part of the Financial Statements
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8 Directors' remuneration, reimbursement of expenses and related party transactions

No trustees received nor waived any emoluments during the period (2014: None).

One trustee received reimbursed out of pocket travel expenses of £275 during the year (2014: Two trustees £676).

9 Staff costs	2015 £	2014 £
Employees:		
Salaries and wages	356,419	288,524
Social security costs	33,853	28,468
Pension costs & staff incentive scheme	11,308	11,940
	<u>401,580</u>	<u>328,932</u>
Consultants:		
Consultancy fees	-	3,880
	<u>-</u>	<u>3,880</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the period was one (2014: One).

The average number of employees calculated on a full-time equivalent basis, analysed by function was:

	2015 Number	2014 Number
Charitable activities	10	6
Costs of generating funds	2	1
Governance of the charity	1	1
	<u>13</u>	<u>8</u>

The Organisation for New Music and Sound
Notes Forming Part of the Financial Statements
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10 Tangible fixed assets

	Office furniture £	Equipment & computers £	Total £
Cost			
At 1 April 2014	15,537	46,096	61,633
Additions	2,142	2,848	4,990
Disposals	-	-	-
At 31 March 2015	17,679	48,944	66,623
Depreciation			
At 1 April 2014	14,796	36,141	50,937
Charge for the year	1,507	4,893	6,400
Disposals	(2,010)	-	(2,010)
At 31 March 2015	14,293	41,034	55,327
Net book value			
At 31 March 2015	3,386	7,910	11,296
At 31 March 2014	741	9,955	10,696

In addition to the capitalised functional fixed assets, the charity also owns "The British Music Collection" that comprises a music library of some 30,000 scores, 15,000 recordings and background information on British music written since 1900. It includes both published and commercially recorded and unpublished material, and is held on long term deposit at the University of Huddersfield's Library. The written archives of the founder organisations form a separate collection of material currently held in safe storage and available on a request basis.

These assets have not been included in the balance sheet because, in the opinion of the trustees, the cost of professionally valuing them to include a value in the financial statements would outweigh the benefits to the users of the financial statements.

**The Organisation for New Music and Sound
Notes Forming Part of the Financial Statements
For the Year Ended 31 March 2015**

	2015 £	2014 £
11 Fixed asset investments - Arthur A Paul Memorial Fund		
Market value at 1 April 2014	1,040,273	1,027,191
Additions at cost	1,097,480	327,045
Disposal proceeds	(1,127,377)	(358,965)
Realised gains / (losses) on disposals	87,154	-
Unrealised gains / (losses)	48,631	45,002
	<u>1,146,161</u>	<u>1,040,273</u>
Cash held by investment managers for re-investment	9,887	2,920
Market value at 31 March 2015	<u>1,156,048</u>	<u>1,043,193</u>
Historical cost at 31 March 2015	<u>1,127,263</u>	<u>954,613</u>
Listed investments are represented by:		
UK mutual funds	1,145,811	1,040,221
UK fixed interest securities	350	52
	<u>1,146,161</u>	<u>1,040,273</u>
The following represent more than 5% of the total market value of investments:		
7IM AAP Moderately Adventurous C ACC	<u>99%</u>	
12 Debtors		
Trade debtors	75,269	87,422
Prepayments and accrued income	36,345	39,337
VAT recoverable	2,179	514
Other debtors	9,658	1,227
	<u>123,451</u>	<u>128,500</u>
13 Creditors: amounts falling due within one year		
Trade creditors	22,159	89,558
Accruals	19,948	20,402
Other tax and social security	9,590	8,359
Other creditors	19,715	19,479
	<u>71,412</u>	<u>137,798</u>

The Organisation for New Music and Sound
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	Funds 1 April 2014 £	Incoming resources £	Resources expended £	Investment gains / (losses) £	Transfers between funds £	Funds 31 March 2015 £
14 Statement of funds						
Linked charity						
Arthur A Paul Memorial Fund	1,043,193	25,120	(48,050)	135,785	-	1,156,048
Restricted funds						
Artist development:						
Artists Residencies		13,000	(13,000)	-	-	-
Embedded	73,641	50,000	(66,976)	-	-	56,665
Higher Education	7,500	20,500	(28,000)	-	-	-
Portfolio	-	10,000	(6,379)	-	-	3,621
Summer School	-	120,000	(49,500)	-	-	70,500
Other funds	13,874	2,227	(13,135)	-	-	2,966
Sector development:						
Catalyst	29,150	51,800	(48,412)	-	-	32,538
Composer / Curator	-	30,000	(30,000)	-	-	-
Listen, Imagine, Compose	6,235	12,750	(14,377)	-	-	4,608
Tours	-	58,573	(58,573)	-	-	-
Other funds	608	-	(608)	-	-	-
Organisational development	103,972	-	(29,232)	-	-	74,740
	<u>234,980</u>	<u>368,850</u>	<u>(358,192)</u>	<u>-</u>	<u>-</u>	<u>245,638</u>
Unrestricted funds						
General fund	393,767	782,746	(760,461)	-	(20,000)	396,052
Designated funds:						
Project Completion Reserve	92,433	-	(92,433)	-	20,000	20,000
	<u>486,200</u>	<u>782,746</u>	<u>(852,894)</u>	<u>-</u>	<u>-</u>	<u>416,052</u>
Total funds	<u>1,764,373</u>	<u>1,176,716</u>	<u>(1,259,136)</u>	<u>135,785</u>	<u>-</u>	<u>1,817,738</u>

Linked charity

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

The Organisation for New Music and Sound
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14 Statement of funds (continued)

Restricted funds

Artists Residencies

Funds provided by partner organisations to support composer residencies at the Hay Festival (in partnership with Good Energy) and Museum of London Docklands.

Embedded fund

A programme offering artists and composers professional development opportunities through bespoke residencies of circa one year with ensembles and other cultural organisations. Funds provided by the Esmée Fairbairn Foundation.

Higher Education

Funds provided by the PRS for Music Foundation, Help Musicians UK, the Samuel Gardner Trust and the Garrick Trust to support Next Wave, Sound and Music's talent development programme for composers in higher education.

Portfolio

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

Summer School

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

Catalyst

A fund provided by Arts Council England through its Catalyst strategic funding programme for Sound and Music to lead a consortium of new music organisations (Café Oto, Huddersfield Contemporary Music Festival and London Sinfonietta) in coordinated activity to build capacity in generating philanthropic support.

Composer / Curator

Funded by the Paul Hamlyn Foundation, a programme of financial and other bespoke support for composers involved in producing and presenting new music events independently.

Listen, Imagine, Compose

Funds from the Esmée Fairbairn Foundation and Youth Music, supporting action research to understand and improve how teachers teach (and how pupils learn) creative composition.

Tours

Funds provided by Arts Council England through its Strategic Touring Programme to support the delivery of the Living Symphonies touring project in partnership with Forestry Commission England.

Organisational Development

Funding received from Arts Council England as part of a larger grant made with the aim of facilitating the merger of the four founder organisations into Sound and Music and its ensuing organisational development into a single organisation.

Designated funds

Project Completion Reserve. It is in the nature of the charity's activities that projects are budgeted in one particular year, but may only complete in the following year, with expenditure partly falling into the following year. The Project Completion Reserve has been established to ensure that funds are available to meet such expenditure. The amount held at 31 March 2015 (£20,000) has been designated for the completion of several projects started in the financial year but with delivery straddling the year end for artist, sector and audience development.

The Organisation for New Music and Sound
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15 Analysis of net assets	Unrestricted funds			Linked charity Arthur A Paul Memorial Fund £	Total funds £
	General fund £	Designated funds £	Restricted funds £		
Fund balances at 31 March 2015 are represented by:					
Tangible fixed assets	11,296	-	-	-	11,296
Fixed asset investments	-	-	-	1,156,048	1,156,048
Cash at bank and in hand	332,717	20,000	245,638	-	598,355
Other net current assets / (liabilities)	52,039	-	-	-	52,039
	<u>396,052</u>	<u>20,000</u>	<u>245,638</u>	<u>1,156,048</u>	<u>1,817,738</u>

As at 31 March 2015, the balance held on general funds (excluding the designated funds) equated to approximately 3 months of operating expenditure budgeted for 2015-16.

16 Obligations under operating leases

At 31 March 2015 the charity had annual commitments
under operating leases as follows:
Expiry date - more than 5 years

Land & Buildings	
2015	2014
£	£
<u>43,970</u>	<u>42,578</u>

17 Taxation

SaM is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

18 Liability of members

SaM is constituted as a company limited by guarantee and has no share capital. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £1 each.