



**TRUSTEES ANNUAL REPORT & ACCOUNTS
FOR THE PERIOD ENDING 31 MARCH 2016**

Charity Registration Number 1151872 | www.finding-rhythms.co.uk | info@finding-rhythms.co.uk

Finding Rhythms, 1 Frederick's Place, London EC2R 8AE

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Legal Name: Finding Rhythms CIO

Charity Registration No: 1151872

Principal address: 1 Frederick's Place
London EC2R 8AE

Governing Document: Constitution dated 2 May 2013

Trustees who served: Mr Gerard Elias, QC Chair (Appointed Jun '15)
His Honour Judge Nicholas Hilliard QC
Mr David Jenkins Treasurer (Appointed Jul '15)
Mr Jeff Montgomery
Lady (Cynthia) Morrison-Bell

Patrons: Baroness Floella Benjamin, OBE
Mr Robin Millar, CBE
Mr Max Reinhardt
Mr Mark Thompson

Principal staff: Robin Harris Creative Director
Emily Vermont Executive Director
Nadine Walker Operations Assistant

Bankers: CAF Bank (Charities Aid Foundation)
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA

Insurers: CaSE Insurance Services Limited
Manor House
19 Church Street
Leatherhead, KT22 8DN

Independent Examiner: Debbie Mace
23 Forgebank Walk
Halton LA2 6FD

Website: finding-rhythms.co.uk



Trustees Report

The trustees are pleased to present their annual report together with the financial statements for Finding Rhythms CIO for the year ending 31 March 2016.

The financial statements comply with the Charities Act 2011, 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 2015).

Structure, Governance and Management

Finding Rhythms was founded as a Charitable Incorporated Organisation with a Constitution dated 2 May 2013.

During the financial year ended March 2016 five Trustees served on the Board of Finding Rhythms and they are referred to throughout this report as the Trustees or the Board.

Mr Gerard Elias, QC was appointed Chair in June 2015, having served as a Trustee since November 2014, and Mr David Jenkins was appointed Treasurer in July 2015. To date Trustees have been recruited through referrals only. The Trustees represent a broad range of skills and experience, spanning business, governance, finance, the arts and the criminal justice sector. They did not receive any remuneration.

The Board has grown from four to five Trustees during this financial year and there are plans in place to recruit further Trustees over the coming financial year, as the charity grows. The Trustees are keen to apply an equal opportunities policy and intend to diversify the Board during this process of recruitment. Mr Jeff Montgomery and Lady Morrison-Bell have completed three-year terms and have been asked to reapply for their positions on the Board in the financial year 2016-17.

Prospective Trustees first meet with the Chair and Directors for an informal interview, before meeting the full Board at the next appropriate Board meeting. This allows an opportunity for both the prospective Trustee and the Board/Directors to assess whether there is an appropriate match, before any formal decision is made. Once appointed, the Chair will induct the new Trustee and familiarise him or her with the organisation's way of working, financial position and overall strategy.

The day-to-day management of the charity during the financial year 2015-16 has been the responsibility of the Executive Director with the support of the Creative Director and Operations Assistant, with regular advice from the Chair and Treasurer. The Trustees meet formally with the Executive Director and the Creative Director quarterly to guide the organisation strategically and to ensure that it continues to fulfil its charitable objectives.

Risk Management

The Trustees have reviewed the major risks and are confident that there are systems in place to manage them.



Objectives and activities

The objectives of Finding Rhythms are laid out in its Constitution are as follows:

- a) promoting social inclusion by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society;
- b) the advancement of education in the arts and music;
- c) the advancement of the arts and music;
- d) the relief of those in need by reason of disadvantage;
- e) the promotion of physical and mental health,

by means (not exclusively) of the teaching and encouragement of music in prisons and in other institutions established for the care or education of people.

Finding Rhythms' currently works to create a generation of prisoners who are less likely to reoffend on release. We do this through courses of music-based work experience, which result in albums of broadcast-quality new music by prisoners and a BTEC in employability skills.

Our intensive, 3 to 6-week projects are led by some of the UK's top touring artists and result in a professionally produced album, authored and performed by prisoners. Our work has attracted the attention of the Guardian and Times, and has been played on Radio 6 Music and BBC World Service.

By 31 March 2016 we had worked with over 110 prisoners and completed 11 albums of music.

We demonstrate that the skills used in the context of writing, producing and delivering an album of music on time and to a professional standard are transferrable to many areas of work and life. Graduates of our courses earn the Edexcel accredited BTEC certificate, '*Supporting Employability and Personal Effectiveness*' (SEPE) and to date 96% of our candidates have passed.

Every session is delivered by a team of three professional musicians and engineers working alongside participants to compose and record an album of music from scratch. Responsibility for creation is shared equally, with prisoners and professionals collaborating as colleagues rather than in a teacher-pupil relationship. This lack of hierarchy is key, leading to a feeling of empowerment that is too often stripped away in the prison environment.

Personnel

During this financial year Finding Rhythms employed a total of 24 musicians and music engineers. These musicians were engaged on a freelance basis, with one lead musician and one support musician being present in every workshop alongside a music engineer.

Creative & Operational Director, Robin Harris, is responsible for recruitment and mapping of personnel for each project and ensuring that the work is delivered to the high standard that we expect.



Achievements and Performance

"The course was driven by high musical expectations and skilful leadership, providing a safe and positive environment in which the learners could take risks and develop to their full potential."

Kirsty Winnan, SEPE Internal Verifier, Superact

In 2015-16 we...

- Engaged approximately 60 male and female, young and adult prisoners on six courses across the South of England and Midlands. Those prisons were HMP Lewes, HMP & YOI Isis, HMP Bronzefield, HMP The Mount, HMP Onley and HMYOI Swinfen Hall.
- Produced six albums of new music authored by prisoners, printed to CD and available to stream online.
- Ran our first course in a women's prison (HMP Bronzefield, a Sodexo-run private prison).
- Of the 60 prisoners we worked with, 51 were able to work towards a BTEC certificate in employability skills. 47 of those passed.
- Held a film shoot outside of prison attended by three recently released participants. Four music videos were recorded and one has completed post-production.
- Held a fundraising dinner and concert at Mercers' Hall where two recently released participants performed. Over £21k profit raised.
- Gained permission to film inside a prison for the first time, resulting in a promotional film being made about our work. Featuring: three participants, one prison governor, one prison chaplain, one prisoner family member, one famous music producer and one former Chief Inspector of Prisons.
- Recruited our first Operations Assistant, who is herself an ex-prisoner.
- Rebranded our logo, album design and website.
- Employed 24 musicians and music engineers from across the UK.
- Developed Finding Rhythms' first training scheme for musicians and engineers, and partnerships with Guildhall School of Music & Drama and University of West London.
- Increased our Board to five trustees and recruited four patrons.

Feedback from staff and participants:

"In prison we don't get the opportunity to do this sort of thing. I've been in this prison a year and a half and I've never once seen a music course or a creative opportunity to get involved in." – **Geoff, project participant at HMP Swinfen Hall**

"I haven't really had much of a life on the outside. Doing this course has made me feel grateful to be alive" – **Paul, project participant at HMP Onley**

"Being part of a scheme like Finding Rhythms, where they've got to work hard, where they've had to apply themselves, where they've had to complete a task within a set period of time: priceless." – **Mr G Hawkings, Governor at HMP & YOI Isis**



"The understanding, patience and professionalism of the Finding Rhythms' staff have shown to be key in their development. I would recommend the project to anyone and hope that Finding Rhythms can return to Onley HMP" – **Mr N Dowling, Head of Interventions, HMP Onley**

"The work you guys do is invaluable to establishments such as ourselves. It is easy for us to get lost in the midst of OFSTED targets and recommendations and forget that there are many prisoners here who are incredibly talented. ... The fact that you offer a qualification as part of the process only makes the course an even more rewarding and invaluable experience." – **Mr C Gowlett, Head of Reducing Re-Offending, HMP Swinfen Hall**

"One of the best things I've done since I've been in prison." – **Carl, project participant at HMP Swinfen Hall**

"Finding Rhythms showed me I can do things I never knew before. The praise I have received has given me a sense of purpose." – **Maddy, project participant at HMP Bronzefield**

"I have been stopped in the grounds a number of times by the prisoners telling me how much they got much from the experience. ... It's fascinating to watch the group dynamics unfold as the course progresses and rewarding to see prisoners develop themselves positively for the future. It does make a difference and in my view is funding well spent indeed." – **Mr D Towse, Head of Activities at HMP The Mount**

"Hands down the best musical experience in prison" - **Jim, participant at HMP The Mount**



Statement of Public Benefit

"We need a more social approach. One where we develop a richer picture of how social problems combine, of how they reinforce each other, how they can manifest themselves throughout someone's life and how the opportunity gap gets generated as a result. ... In a compassionate country, we should help those who've made mistakes to find their way back onto the right path."

David Cameron, 2016

In a government-commissioned report published in 2015, Lord Harris of Haringey states, "The experience of young adults in prison is by and large not purposeful, frequently not meaningful, and above all is impoverishing to the spirit. It does not facilitate rehabilitation." (Harris, 2015)

In a 2003 report for the Prisoners' Education Trust, researchers found "the narrowing of the curriculum was a shared concern, [with a] particular issue for many [being] the omission of the creative arts. ... The curriculum broadly ignores the positive contribution creative education... can have when dealing with very damaged individuals with low self esteem... and a low opinion of formal education." (Braggins; Talbot, 2003) In a survey conducted in 2014-15 the National Alliance for the Arts in Criminal Justice found that 21% of arts organisations had delivered fewer projects in prisons during that period.

Poor experiences of formal education (88% of young male offenders were excluded from school) leaves many prisoners reluctant to engage in traditional education offerings – our courses provide a means to improve both core employability skills (punctuality, preparation, basic literacy, conflict management) and personal/inter-social skills (listening, communication and collaboration), as well as building confidence and motivation, through an activity that participants are genuinely motivated to take part in.

In 2015 the Ministry of Justice set new targets calling for young prisoners to spend at least 30 hours/week in education, up from only 12 hours. Each Finding Rhythms course provides 36 hours' contact time and 14 hours' independent work for participants, providing a useful contribution to this aim.

The typical issues faced by the prisoners that we work with are:

- Low educational attainment (47% of prisoners report having no qualifications.)*
- Long periods of unemployment before prison (68% of prisoners were unemployed in the four weeks before custody)*
- Mental instability (Two-thirds of 18–24 year olds in custody have mental health needs.)*
- Drug and alcohol addiction (64% of prisoners reported using drugs in the four weeks before custody.)*
- History of abuse / domestic violence (53% of women and 27% of male prisoners experienced abuse as a child)*
- Self-harm, anxiety and depression (There were 25,775 self-harm incidents in 2014.)*
- Low self-esteem and distrust of others

*Figures from the Bromley Briefings, 2015

The Trustees have read and understood the Charity Commission's guidance on Public Benefit.



Impact

Our projects benefit...

Participants, through:



Improvements in emotional wellbeing

85% of participants said Finding Rhythms helped them think differently about themselves

Providing an opportunity to display positive, empowered behaviour

95% said they felt listened to by Finding Rhythms



More positive aspirations, both inside and outside of prison

90% said they felt more positive about what they could achieve in future



Valuable work experience

87% of participants said they learnt more about working in a high-pressured, professional environment



Improved employability skills through a BTEC certificate

To date, 96% of our candidates have passed

Prisons, through:

Increased engagement in education by 'hard to reach' prisoners

70% said the course improved their opinion of education



Peer relationships are improved within prisons

89% said that the course helped them work better with other people



A lowering of harmful behaviour by participants, e.g. self-harm, violence towards others

75% said the course helped them control their language and behaviour

Families/Communities, through:



Better communication. Through lyric-writing, participants can communicate messages that may be too difficult in normal conversation

88% said the course helped them to express themselves

The music is recorded to CD, meaning families/communities can witness the work created
11 albums produced between 2013-2016



The People Behind Our Organisation

Robin Harris | Creative & Operational Director

For the last ten years Robin has made a full time living as a musician where he has not only toured the world with renowned artists but has also built up a successful business providing music for corporate and private events all over the UK. He is also a skilled educationalist with a passion for nurturing the next generation of musicians. Before teaming up with Emily Vermont, Robin had worked for Live Music Now! on several music projects in prisons.

Emily Vermont | Executive Director

Emily began volunteering with vulnerable groups in 2003, later going on to work with homeless children in Calcutta in 2006-2007; street sleepers in Cambridge from 2007-2008; and with prisoners at The Clink Restaurant, HMP High Down, in 2011. She holds an MA in Oriental Studies from the University of Cambridge, is a fellow of the RSA and a committee member of the Mercers' Charitable Foundation.

Nadine Walker | Operations Assistant

Nadine is an aspiring music publisher from South London. She began working in Sales (B2C & B2B) and Media Advertising in Canary Wharf, going on to study Business Management in 2011 at Westminster Kingsway College. In 2014, Nadine started working as an Administrative Assistant for Painshill Park, an 18th century landscape garden, later going on to work for Finding Rhythms.

Gerard Elias, QC | Chair

Gerard was a leading criminal barrister with a career spanning 50 years and an involvement in some of the most important cases on the Welsh Circuit. He was a Deputy High Court Judge and a Recorder and is a former Leader of the Wales and Chester Circuit. He chaired Sports Resolutions UK; is Chancellor, Diocese of Swansea and Brecon; Chairman of ECB's Cricket Discipline Commission and of the MCC Disciplinary Panel.

His Honour Judge Nicholas Hilliard, QC | Trustee

Nicholas was a high profile criminal barrister who in January 2015 became the Recorder of London, which is the most senior legal post at the Old Bailey. Before that he was the 80th Common Serjeant of London; a post he had held since May 2013. Judge Hilliard is also a Trustee of Crisis, the charity for single homeless people, and the Ben Kinsella Trust, which aims to promote awareness of the effects of knife crime.

David Jenkins | Treasurer

David is a financial analyst whose career spans work in London to the Philippines. He is currently CFO and Company Secretary for Squint/Opera Limited.

Jeff Montgomery | Trustee

Jeff is a founding partner of GMT Communications Partners and has 25 years of private equity investment experience in the communications and entertainment industry. He is a trustee of the Hawn Foundation-UK and on the board of The Hawn Foundation-US. Current corporate directorships include DOCUgroup.

Cynthia Morrison-Bell | Trustee

Cynthia is an art curator and since 2000, director of Art Circuit Touring Exhibitions; an independent not for profit organisation involved in touring contemporary art exhibitions across the country, to places sometimes less well served in the arts. She is also a trustee and on the selection committee of Visual Arts in Rural Communities.



Financial Review

Over the course of the financial year 2015-16 incoming resources totalled £166,478. Outgoing resources totalled £137,762. This gave a net income of £28,716, with free reserves totalling £99,980. Of this £27,533 have been designated to a contingency fund, totalling 5.5 months' running costs.

Reserves Policy

The Trustees have agreed to designate part of the charity's unrestricted reserves to a contingency fund. The aim is that this contingency fund will be maintained at the level of approximately six months of running costs (i.e. not project costs). The contingency fund will be managed by the Board of Trustees.

At the end of this financial period, £28k of unrestricted funds have been identified as suitable for this purpose – £6117 of earned income was added to the contingency fund at the financial year end. This is equivalent to approximately 5.5 months' running costs.

The Trustees will review this policy annually, taking into account the expansion of the charity and the associated risks.

Thanks

The Board wishes to thank all those, individuals and companies, who have donated to the Charity or made contributions in other ways to the running and administration of the organisation during the year. Without your support, the charity could not continue to exist. We should also put on record our thanks to the Executive and Creative Directors whose passion and drive continue to take Finding Rhythms forwards.

Significant Supporters in 2015-16

29th May 1961 Charitable Trust
Arts Council England
CHK Charities Ltd
Clothworkers' Foundation
Ellis Campbell Foundation
Evan Cornish Foundation
Garfield Weston Foundation
J Paul Getty Jnr Charitable Trust
John R Murray Charitable Trust
Swan Mountain Trust
Taurus Foundation
Trusthouse Charitable Foundation
Weavers' Company



Plans for 2016-17

- Complete 10 projects across the UK, working in a Maximum Security prison, and in the North of England and Wales for the first time.
- Launch our first induction and training scheme for musicians and engineers, developed in consultation with Nick Zienau (Medecins Sans Frontieres).
- Pilot a Skype mentoring scheme between former participants and professional musicians.
- Hold a second film shoot or similar opportunity for recently released participants.
- Hold an informal concert featuring an increased number of former participants.
- Work to further diversify our income streams, with the launch of first corporate training workshops.
- Commission first external research into Finding Rhythms' impact.

Statement of Trustee responsibilities

Company law requires the Trustees (who are also the directors of Finding Rhythms CIO for the purposes of company law) to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period.

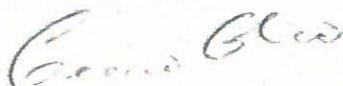
In preparing those financial statements. The directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The directors are responsible for keeping proper accounting records which disclose 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 responsible steps for the prevention and detection of fraud and other irregularities.

This report has been delivered in accordance with the provisions in part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

Signed:



Gerard Elias
Chair of Trustees, on behalf of the Board

Date: 13 Sep 2016



Independent Examiner's Report to the Trustees of the Finding Rhythms

Report to the trustees of Finding Rhythms on the accounts for the year ended 31 March 2016 set out on pages 13 to 20.

Respective responsibilities of the trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year (under section 144 (2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts (under section 145 of the 2011 Act),
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the Act),
- and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My work was conducted in accordance with the General Directions given by the Charity Commissioners. My procedures consisted of comparing the accounts with the accounting records kept by the CIO, and making such limited enquiries of the officers of the CIO as I considered necessary for the purposes of this report. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In the course of my examination, no matter has come to my attention

- 1 which gives me reasonable cause to believe that in any material respect, the requirements to keep accounting records in accordance with section 130 of the Charities Act; and to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Charities Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.
- 2 have not been met; or to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Debbie Mace
23 Forgebank Walk
Halton
LA2 6FD



Independent Examiner

20-Sep-16

FINDING RHYTHMS
A Charitable Incorporated Organisation - Reg. no 1151872
Balance Sheet as at 31 March 2016

		2016		2015	
Notes	£	£	£	£	£
Current Assets					
Debtors	11	1,662		11,957	
Cash at bank		129,991		80,314	
Total current assets			131,653		92,271
Current Liabilities					
Creditors falling due within one year	12	31,673		21,007	
Total current liabilities			31,673		21,007
Net Current assets			99,980		71,264
Total assets less current liabilities			99,980		71,264
The funds of the charity:	17				
<u>Unrestricted funds</u>					
Designated fund – contingency fund		27,533		21,883	
General unrestricted funds		60,965		33,011	
			88,498		54,894
Restricted funds			11,482		16,370
			99,980		71,264

For the financial year ended 31 March 2016 the directors are satisfied that the charitable company was entitled to exemption from audit under Section 477 of the Companies Act 2006 and no notice has been deposited under Section 476. The accounts have been examined by an Independent Examiner, in accordance with section 145 of the Charities Act 2011. Her report appears on page 12.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006, and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss (surplus or deficit) for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006.

ON BEHALF OF THE BOARD OF TRUSTEES

Signed: _____

Approved by the Board of Trustees
on:

13 Sep 2016

Name: **G. Elias**

The notes on pages 16 to 20 form part of these accounts

FINDING RHYTHMS
A Charitable Incorporated Organisation - Reg no 1151872
Statement of Financial Activities
For year ended 31 March 2016

		<u>2016</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>
		<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
		<u>funds</u>	<u>funds</u>	<u>FUNDS</u>	<u>FUNDS</u>
	NOTES	£	£	£	£
Income					
Income from donations	2	105,000	42,669	147,669	109,164
Income from charitable activities	3	16,809	2,000	18,809	9,745
Investment income	4	0	0	0	4
Total Income		121,809	44,669	166,478	118,913
Expenditure					
Costs of raising funds		8,846	0	8,846	5,360
Expenditure on Charitable activities	5	79,359	49,557	128,916	73,503
Total expenditure		88,205	49,557	137,762	78,862
Net Income/(Expenditure) and net movement in funds for the year		33,604	(4,888)	28,716	40,051
RECONCILIATION OF FUNDS					
Total funds brought forward		54,894	16,370	71,264	31,213
Total funds carried forward		88,498	11,482	99,980	71,264

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

The notes on pages 16 to 20 form part of these accounts

FINDING RHYTHMS
Statement of Cash Flows
For year ended 31 March 2016

	Note	2016 £	2015 £
Cash generated/(used) in Operating Activities	19	<u>49,677</u>	<u>44,048</u>
<u>Cash flows from investing activities</u>			
Interest income		0	4
Cash provided by/(used in) investing activities		<u>0</u>	<u>4</u>
Cash used in financing activities		<u>0</u>	<u>0</u>
Increase/(decrease) in cash and cash equivalents in the year		49,677	44,052
Cash and cash equivalents at the beginning of the year		80,314	36,262
Total cash and cash equivalents at the end of the year		<u>129,991</u>	<u>80,314</u>

FINDING RHYTHMS
Notes to the accounts

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102)(effective 1 January 2015) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Acts 2006.

Finding Rhythms meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s).

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 the restatement of comparative items was required. No restatements were required

c) Preparation of the accounts on a going concern basis

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

d) Income

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

e) Donated services and facilities

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 is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102) general volunteer time is not recognised but is referred to in the trustee's annual report.

f) Fund accounting

Unrestricted Funds are funds received which have no restrictions placed on their use and are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the trustees have decided to set aside to use for a specific purpose.

Restricted Funds are funds which are to be used for purposes as specified by the funder.

FINDING RHYTHMS
Notes to the accounts

	2016	2016	2016	2015
	£	£	£	£
2. INCOME FROM DONATIONS				
Grants	<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
Arts Council England	11,603	13,429	25,032	18,397
Berry, Palmer & Lyle	0	0	0	1,500
City & Metropolitan Welfare Charity	0	0	0	1,600
Garrick Club Causes Dear	0	0	0	2,500
J Paul Getty Jnr Charitable Trust	10,000	0	10,000	10,000
John R Murray Charitable Trust	15,000	0	15,000	10,000
Prudential	0	0	0	1,000
Taurus Trust	5,000	0	5,000	5,000
The 29th May 1961 Charitable Trust	5,000	0	5,000	5,000
Chesterhill Charitable Trust	500	0	500	0
Garfield Weston Foundation	30,000	0	30,000	0
C H K Charities Ltd	0	5,000	5,000	0
The Worshipful Company of Weavers' Benevolent Fund	10,000	0	10,000	0
The Noel Buxton Trust	0	500	500	0
The Ellis Campbell Foundation	3,000	0	3,000	0
Evan Cornish Foundation	0	4,000	4,000	0
Swan Mountain Trust	0	2,000	2,000	0
The Clothworkers' Foundation	0	7,300	7,300	0
Trusthouse Charitable Foundation	0	6,500	6,500	0
Individual Donations	14,897	1,000	15,897	54,167
Donated Services	0	2,940	2,940	0
	<u>105,000</u>	<u>42,669</u>	<u>147,669</u>	<u>109,164</u>

Donations (including Grants Receivable) in 2015 were £109,164 of which £48,557 were unrestricted, £60,608 were restricted.

Donated (pro bono) services are included in the account as income and in expenditure - Governance, Strategic and Business Planning (2015 nil).

	<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
3. INCOME FROM CHARITABLE ACTIVITIES	£	£	£	£
Fundraising event proceeds	16,710	0	16,710	7,745
Sale of CDs and merchandise	99	0	99	0
Contributions from prisons	0	2,000	2,000	2,000
	<u>16,809</u>	<u>2,000</u>	<u>18,809</u>	<u>9,745</u>

Income from charitable activities in 2015 totalled 9,745 all of which was unrestricted.

	2016	2015
4. INVESTMENT INCOME	£	£
Deposit account interest	0	4

	2016	2015
5. EXPENDITURE ON CHARITABLE ACTIVITIES	£	£
Musician's fees and related costs	49,981	30,208
Workshop equipment & materials	7,686	2,601
Participant BTEC/EDexcel certification	4,907	1,520
Creative professional fees	1,731	0
CD design and printing	4,027	0
Studio and venue hire	1,849	0
Support costs (note 6)	53,795	38,074
Governance Costs (note 7)	4,940	1,100
	<u>128,916</u>	<u>73,503</u>

Expenditure on charitable activities in 2015 totalled £73,503 of which £15,711 was unrestricted and £57,792 was restricted.

FINDING RHYTHMS
Notes to the accounts

	2016	2015
	£	£
6. SUPPORT COSTS		
Staff costs (note 9)	46,082	30,838
Project co-ordination fees	0	1,026
Staff travel and training	988	515
Promotional materials	0	1,485
Office equipment	856	0
Office and general costs	5,869	4,210
	<u>53,795</u>	<u>38,074</u>

	2016	2015
	£	£
7. GOVERNANCE COSTS		
Strategic and Business Planning	2,940	0
Board costs (recruitment)	0	500
Accountancy fees	1,100	0
Independent examiner fees	900	600
	<u>4,940</u>	<u>1,100</u>

	2016	2015
	£	£
8. NET OUTGOING RESOURCES		
The Operating Surplus is stated after charging :-		
Depreciation	0	0
Trustee Emoluments	<u>0</u>	<u>0</u>

	2016	2015
	£	£
9. ANALYSIS OF STAFF COSTS, AND TRUSTEE REMUNERATION AND EXPENSES		
Salaries	44,746	30,142
Employer's National Insurance Contributions	3,336	2,696
Reduced by:		0
Employers Allowance	(2,000)	(2,000)
	<u>46,082</u>	<u>30,838</u>

No employees received employee benefits exceeding £60,000 (2015 nil).

Trustee remuneration and expenses

The trustees all give freely their time without any form of remuneration or other benefit in cash or in kind.

10. STAFF NUMBERS

The average monthly head count was three during the year (2015 - one).

	2016	2015
	£	£
11. DEBTORS		
Grants Receivable	0	3,397
Other debtors	146	6,100
Prepaid expenses	1,516	2,460
	<u>1,662</u>	<u>11,957</u>

FINDING RHYTHMS
Notes to the accounts

	2016	2015
	£	£
12. CREDITORS		
Deferred Income (note 13)	16,500	2,000
Salary control account	0	3,355
H M Revenue & Customs	1,265	2,376
Trade Creditors and accruals	13,908	13,276
	31,673	21,007

13. DEFERRED INCOME

Deferred income consists of two grants received in 2015/16 for 2016/17 expenditure (2015 Contribution received for future workshops £2,000)

14. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

15. CONTINGENT LIABILITIES

The charitable company had no material contingent liabilities at 31 March 2016 (2015 none).

16. RELATED PARTIES

There were no disclosable related party transactions during the year (2015 - none).

	Balance at 31 March 2015	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2016
	£	£	£	£	£
17. STATEMENT OF FUNDS					
<u>Unrestricted funds</u>					
Designated funds	21,883	0	0	5,650	27,533
General funds	33,011	121,809	88,205	(5,650)	60,965
	54,894	121,809	88,205	0	88,498
<u>Restricted funds</u>					
Restricted Donations	11,663	1,000	12,663	0	0
Donated Services	0	2,940	2,940	0	0
Grants for Equipment	2,129	9,300	9,784	0	1,645
HMP & YOI ISIS project	2,309	0	2,309	0	0
Greater London work	269	0	269	0	0
Contribution from HMP Grendon	0	2,000	2,000	0	0
Training Programme	0	5,500	0	0	5,500
Practitioner Training Programme	0	13,429	10,108	0	3,321
Swinfen Hall courses	0	4,000	4,000	0	0
Operations Assistant funding	0	6,500	5,484	0	1,016
	16,370	44,669	49,557	0	11,482
TOTAL FUNDS	71,264	166,478	137,762	0	99,980

Unrestricted funds are available to be spent for any of the purposes of the charity.

Designated funds have been set aside by the Trustees to provide for contingencies, as outlined in the reserve policy

Grants for equipment will be spent on music equipment in 2016.

Training programme funds from C H K Charities and Noel Buxton Trust, will be spent on training after April 2016.

Funds for the practitioner training programme from Arts Council England, will be spent on delivery of a pilot training day.

Funds for the operations assistant from Trusthouse Charitable Foundation, will be spent on salary and associated office costs.

FINDING RHYTHMS
Notes to the accounts

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Cash at bank and in hand	75,574	27,533	26,884	129,991
Other net assets /(liabilities)	(14,609)	0	(15,402)	(30,011)
	<u>60,965</u>	<u>27,533</u>	<u>11,482</u>	<u>99,980</u>

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOWS

	2016	2015
	£	£
Net movement in funds	28,716	40,051
Deduct interest income shown in investment activities	0	(4)
Decrease/(increase) in debtors	10,295	(11,957)
Increase/(decrease) in creditors	10,666	15,958
Net cash used in operating activities	<u>49,677</u>	<u>44,048</u>