



TRUSTEES' ANNUAL REPORT & ACCOUNTS
for the period ending
31 MARCH 2018

Charity Registration Number 1151872

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Finding Rhythms,
32 Cubitt Street,
London, WC1X 0LR

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Legal Name: Finding Rhythms CIO

Charity Registration No: 1151872

Principal address: 32 Cubitt Street
London, WC1X 0LR

Governing Document: Constitution dated 2 May 2013

Trustees who served: Mr Gerard Elias, CBE QC, Chair
Mr David Jenkins, Treasurer
Mr Herb Nahapiet, OBE
His Honour Judge Nicholas Hilliard QC (Resigned Sep '17)

Patrons: Mr Robin Millar, CBE
Mr Max Reinhardt
Mr Mark Thompson
His Honour Judge Nicholas Hilliard QC
Baroness Floella Benjamin, OBE

Principal staff: Robin Harris, Creative / Operations Director
Clare Annamalai, Business Director

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 2018.

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 ending March 2018 four 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, and the criminal justice sector. They did not receive any remuneration.

During the year His Honour Judge Nicholas Hilliard QC stood down from the Board, but agreed to continue as a patron of the charity. The Directors and current Trustees are actively seeking to recruit further Trustees in 2018-19, to oversee the charity's operations and continued growth. In making appointments, the Trustees will apply an equal opportunities policy and strive to diversify the Board.

The day-to-day management of the charity was the responsibility of the Business Director with the support of the Creative / Operations Director, and with regular advice from the Trustees.

During 2017-18 the Board met formally four times and held a number of less formal meetings with the Directors to guide operations and ensure that the charity continued to meet 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' mission is *to make society safer by changing the behaviour of offenders through creating music*. We do this through courses of music-based work experience, which result in albums of broadcast-quality new music by prisoners who also have the chance to earn a BTEC in employability skills.

Our intensive 36 hour projects are led by career musicians 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.

As at 31 March 2018 we had worked with 292 learners in 20 prisons and one probation setting, completed 32 albums of music and helped 166 prisoners to achieve a BTEC qualification.

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 transferable to many areas of work and life. Participants on our projects have the chance to earn the Edexcel accredited BTEC in 'Supporting Employability and Personal Effectiveness' (SEPE).

Every session is delivered by a team of three professional musicians who work alongside participants to compose and record an album of music from scratch. Prisoners and professional musicians collaborate in an artist-producer relationship, rather than in the more conventional teacher-pupil relationship. This lack of hierarchy creates a feeling of empowerment that is too often stripped away in the prison environment.

Achievements and Performance

In 2017-18 we...

- Engaged a total of 101 learners in a total of 363 hours of music-based training. This comprised nine full length courses in prisons in South East England, the Midlands and Wales, one full length course with a probation provider in Essex, and a half-day session with ex-prisoners in London.
- Engaged 12 musically talented young people in a one day session in London.
- Engaged 37 criminal justice professionals in short music-making sessions in London.
- Produced ten albums of music, authored by learners and comprising 92 diverse tracks. These were printed to CD and made available to stream online.
- Ran courses in four prisons new to Finding Rhythms, including working for the first time in Wales.
- Ran our first courses and sessions in partnership with other organisations, including Essex CRC (Sodexo), School Ground Sounds and Switchback.
- Helped 38 prisoners to achieve a BTEC in Supporting Employability and Personal Effectiveness.
- Ran one training session for six regular and new practitioners.
- Employed 18 musicians and music engineers from across the UK.
- Increased the proportion of our income that is commercially generated.
- Won 21 Koestler Awards for art made in prison
- Presented on the value of arts in prison and the work of Finding Rhythms at two prestigious events, the annual conference of the International Corrections and Prisons Association and the Reflective Conservatoires Conference.

Impact

We know that our courses help participants to develop in three specific areas which help to reduce reoffending:

Relationships:

The challenge of creating an album of music from scratch in 36 hours is such that participants have to work as a team, communicate effectively and respect each other's contribution. The shared sense of purpose, tight deadline and growing recognition of each other's strengths and talents forges a strong sense of community and develops the emotional understanding that is needed for relationships at work, at home, or in any other context.

85% said that the course helped them work better with other people

85% said the course helped them to express themselves

Employment:

Our courses encourage many of the soft skills that employers look for, and participants have the chance to earn a BTEC in *Supporting Employability and Personal Effectiveness*, to show prospective employers their achievements in communication, teamwork, task management and reflective learning.

86% said they learnt more about working in a professional environment

To date, **97%** of our candidates have passed the BTEC

Identity and self-belief:

Many prisoners feel defined by their imprisonment, have never had a job and have underperformed in the education system, so they have very few positive achievements to their name. We give participants the chance to shine at something, whether percussion, singing, rapping, lyric-writing or being a facilitator.

83% said Finding Rhythms helped them think differently about themselves

86% said they felt more positive about what they could achieve in future

Feedback from participants and staff

"People have come with different levels of skill, different sorts of skills and different expectations and actually we've all worked brilliantly as a team contributing. Everybody's got something out of this, effectively to go away with, which is brilliant." - Learner, HMP Ford

"To show that just because we're criminals and we've been convicted and we're all in jail, it just goes to show that we're not all good for nothing. It's a means of not just expressing ourselves, but giving prisoners a voice. Because inside, in jail, it's hard to express yourself, because you've got to have this facade on all the time." - Learner, HMYOI Swinfen Hall

"You kind of forget all the good things in life. It becomes more difficult and more confusing as time goes on. And I guess for me, that positive vibe you get, the good feeling when you feel around good people, and the chance to be a good person again, to create something worth creating, to do something not just because it should be done, but because it's worth doing." - Learner, HMYOI Swinfen Hall

"I've always felt like I don't need to collaborate because I'm good enough in my own right, as conceited as that sounds, whereas now doing Finding Rhythms it's a time to explore working with other people and taking on other people's ideas and other people's kind of constructive criticism, so yeah that's been an amazing learning curve for me." - Learner, HMP Swaleside

"It is a leap of faith, because what you're bringing out, a lot of it is deep personal shit, so you've got to feel comfortable with each other." - Learner, HMP Rochester

"I came in here thinking that I knew a bit about music, but working with that guy today, he showed us that even a small contribution can be a big contribution to a song. You haven't got to do everything to be involved, even a little bit of writing or a little bit of tapping can contribute to a song." - Learner, HMP Parc

"I enjoyed the structure and development...how to create lyrics, how to create chord patterns and things like that.....the creation from beginning to the end." - Learner, HMP Elmley

"It's helped me to get chips off my shoulders and feel better in myself. To be able to express myself and people to understand." - Learner, Essex CRC

"I would like to thank you and your team for another successful project within Swinfen Hall. Both the Governor and Deputy Governor were really impressed and would like to celebrate the achievement." - Staff member, HMYOI Swinfen Hall

"Very pleased with the project and the way the workshop sessions have gone. Robin and the team are really enthusiastic, positive and knowledgeable and this is reflected in the quality of the music being produced. The prisoners are enjoying the experience and are gaining a great deal from the project, they will be disappointed when it finishes today." - Staff member, HMP Parc

"I've just been really proud of everybody in here, because it's not the easiest environment to be in, it's not the easiest to get yourself motivated and get yourself out. But this is something that they've all really, really enjoyed and the group work, the way you've been supporting, everyone's put something in. And it's just been really lovely to see." - Staff member HMPYOI Bronzefield

Statement of Public Benefit

Despite a slight reduction in the prison population over the course of 2017-18¹, the prison service continued to face many challenges, not least the negative consequences that flow from overcrowding. Rates of self-harm, during the 12 months to June 2017, were the highest ever recorded², and only 14% of prisoners reported spending 10 hours or more out of their cell each day³. 30% of young adult prisoners reported having less than two hours a day out of their cell⁴.

Although it is widely accepted that prison has a poor record of reducing reoffending, with 66% of those serving sentences of less than 12 months being reconvicted within a year⁵, the custodial sentencing rate and average length of custodial sentence for indictable offences, continues to rise⁶. Even first time offenders with no previous convictions or cautions are now more likely to go to court and be convicted than to receive a caution (52% in 2017, vs 22% 10 years ago)⁷. By 2022 the Ministry of Justice expects a prison population of 88,000⁸.

In that context, the need to provide prisoners with education, purposeful activity and skills for rehabilitation is as acute as it has ever been. To quote the National Offender Management Service annual report for 2016-17, *"for offender management to be effective and for prisons to be positive places in which to work there must be a strong rehabilitative culture across all activity within prisons."*⁹ Yet only 51% of prisons received a positive rating from inspectors in 2016-17 for purposeful activity work¹⁰ and in 14 of the 35 adult male prisons inspected in 2016-17, there were not enough places for all prisoners to take part in education or vocational training throughout the week¹¹.

¹ Ministry of Justice Prison Population Statistics 2017 & 2018

² Ministry of Justice Safety in Custody Statistics, Quarterly Update to June 2017

³ HMIP Annual Report 2016-17

⁴ Ibid

⁵ Ministry of Justice (2017) Proven reoffending statistics quarterly: October to December 2015

⁶ Ministry of Justice Criminal Justice Statistics Quarterly Update, 2017

⁷ Ministry of Justice Criminal Justice Statistics Quarterly Update, 2017

⁸ Ministry of Justice Prison Population Projections 2017-2022

⁹ NOMS Annual Report and Accounts 2016-17

¹⁰ HMIP Annual Report 2016-17

¹¹ Ibid

There are reasons for optimism, however. Whilst the Education and Employment Strategy, published by the Ministry of Justice in May 2018, is arguably too narrowly focused on the functional skills required for employment in five particular industry sectors (retail, catering, agriculture, construction and manufacturing), it does acknowledge the aspect of effective rehabilitation that works on prisoners' motivation *"to engage with the opportunities in front of them, to build a different kind of life"*, with a willingness *"to commit to change, take advice, learn new skills and take opportunities to work – both during their sentence and after."*¹² This aspect of rehabilitation is less about imparting technical skills and more about helping prisoners to rebuild lost confidence, their sense of identity and the belief that they can and should have a brighter future.

The Prison Education Framework, which from 2019 will put into effect many of the recommendations of the Coates Review, recognises the need to provide a range of educational opportunities which meet the needs of each prison's population. We hope that prison Governors, using their newly devolved education budgets, will appreciate not only the need to provide pathways to different types of employment, but also that the trigger for change is different for each person, and may include faith, engagement with the arts, further education or peer mentoring. As Dame Coates suggested, education provision must incorporate personal and social development, music, arts and sport activities, alongside functional skills teaching.

During the period 2017-18 Finding Rhythms engaged 91 prisoners in music-based learning. This is, of course, a drop in the ocean of 83510 prisoners, but music-based learning is neither appropriate nor motivating for the majority of those 83510. What we seek to do, with the help of prison staff, is to target those prisoners who have a real passion for music or creative writing, whose vocal, musical or lyrical talent warrants development, or whose wellbeing may benefit from creative self-expression and purposeful work as part of a team.

Given the small size of our organisation it is a significant achievement and public benefit to have made a difference in the lives of these 91 individuals. Participants on our courses reported increased confidence, learned new skills and had the chance to express themselves in a setting where honesty and authenticity can often make a person vulnerable. Participants wrote love songs to their children; they expressed regrets about the past and hopes for the future; they shared their culture with others, by writing songs in their native language; they expressed anger and frustration at the circumstances which brought them to jail. In common with the many arts organisations working in prisons we helped to effect a change in the way that people viewed themselves, and taught transferable skills of cooperation, mutual respect, task management and communication, which are just as valuable as the more functional skills required for specific industries.

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

The Finding Rhythms Team

Robin Harris | Creative & Operational Director

For the last twelve years Robin has made a full time living as a musician, touring the world with renowned artists as well as building up a successful business providing music for corporate and private events all over the UK. He is 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.

Clare Annamalai | Business Director

Clare spent 20 years in European commercial roles within the retail and pharmaceutical industries before moving into arts administration. She is a Trustee of Lightbox Theatre.

¹² Ministry of Justice Education and Employment Strategy, May 2018

Gerard Elias, CBE 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, 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.

Herb Nahapiet, OBE | Trustee

Herb is a chartered civil engineer who spent the first half of his career in construction and the second in the criminal justice field, notably as the first managing director of what is now Sodexo Justice Services. Herb has also done extensive pro bono work for government and the third sector in the UK and around the world, and is Vice Chairman and Treasurer of The Koestler Trust.

During this financial year Finding Rhythms employed a total of 18 musicians and music engineers. These practitioners 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, was responsible for recruitment and mapping of personnel for each project and ensuring that the work was delivered to the high standard that we expect.

Plans for 2018-19

Our five year plan to 2022 aims:

- To impact upon more offenders
- To change public perception of offenders
- To carry out our activities more effectively and efficiently, by building a sustainable organisation committed to the reduction of offending through music-making.

During 2018-19 these aims will be achieved with the following activities:

Music-making projects in prisons - at least 11 music-making courses, in prisons in London, the South East, Wales and the North West, engaging a total of 130-150 participants, making 11 albums of original music and employing ~20 professional musicians.

Developing our programme of post-release music-based mentoring - in collaboration with partners who specialise in supporting ex-offenders, including Community Rehabilitation Companies and mentoring charities.

Extending our work with young people in the community - working in partnership with youth mentoring charities and statutory agencies to provide music recording opportunities for talented young people who might not otherwise have routes into the creative industries.

Live performance and digital dissemination of music made in prisons and community settings - increasing the number of end-of-course presentations in the prisons themselves and exposing our music to a wider

audience through radio play, live events and partnerships.

Training and professional development for practitioners - At least 2 practitioner training days during the period. Training days are as valuable for experienced team members as they are for new joiners, and are critical to ensuring that we continue to deliver gold-standard music-making courses which promote artistic excellence and personal development.

Diversifying income - Developing our fee-for-service proposition and exploring other revenue-generation opportunities to fund our charitable activity.

Measurement - Continuing to measure and assess the effectiveness of our activity, through studies with Sussex University, Cambridge University and Youth Music Foundation.

Financial Statement

Over the course of the financial year 2017-18 incoming resources totalled £161,142. Outgoing resources totalled £148,151. This gave a net surplus of £12,991, with free reserves totalling £99,222 at the end of the year. Of this £32,292 was restricted and £67,930 was unrestricted. £28,398 of the unrestricted funds was designated to a contingency fund - see below.

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, £28,398 of unrestricted funds have been identified as suitable for this purpose. This is equivalent to approximately six months' running costs.

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

Supporters in 2017-18

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. Significant supporters during 2017-18 include:

Andrew Lloyd Webber Foundation
Arts Council England
CHK Charities Limited
Colwinston Charitable Trust
Garfield Weston Foundation
John R Murray Charitable Trust
Moondance Foundation
The Hobson Charity
The Goldsmiths' Company
Santander Foundation
Youth Music Foundation

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.

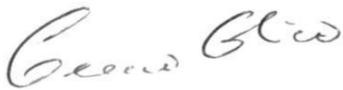
In preparing those financial statements. The directors are required to:

- 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:

A handwritten signature in cursive script, appearing to read "Gerard Elias".

Gerard Elias

Chair of Trustees, on behalf of the Board

Date: 30.7.2018

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 2018 set out on pages 14 to 22.

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

Date: 05-Aug-18

FINDING RHYTHMS
A Charitable Incorporated Organisation - Reg no 1151872
Statement of Financial Activities
incorporating an Income and Expenditure Account
For year ended 31 March 2018

		2018	2018	2018	2017
	NOTES	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>TOTAL FUNDS</u>	<u>TOTAL FUNDS</u>
		£	£	£	£
Income					
Income from donations	2	57,649	85,935	143,584	150,589
Income from charitable activities	3	17,090	0	17,090	6,839
Investment income	4	468	0	468	254
Total Income		<u>75,207</u>	<u>85,935</u>	<u>161,142</u>	<u>157,682</u>
Expenditure					
Costs of raising funds		0	0	0	693
Expenditure on Charitable activities	5	39,343	108,808	148,151	170,738
Total expenditure		<u>39,343</u>	<u>108,808</u>	<u>148,151</u>	<u>171,431</u>
Net Income/(Expenditure) and net movement in funds for the year		35,864	(22,873)	12,991	(13,749)
RECONCILIATION OF FUNDS					
Total funds brought forward		32,066	54,165	86,231	99,980
Total funds carried forward		<u>67,930</u>	<u>31,292</u>	<u>99,222</u>	<u>86,231</u>

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

The notes on pages 17 to 22 form part of these accounts

FINDING RHYTHMS
A Charitable Incorporated Organisation - Reg no 1151872
Balance Sheet as at 31 March 2018

		2018		2017	
	Notes	£	£	£	£
Current Assets					
Debtors	13	10,907		7,228	
Cash at bank		103,830		91,974	
Total current assets			114,737	99,202	
Current Liabilities					
Creditors falling due within one year	14	15,515		12,971	
Total current liabilities			15,515	12,971	
Net Current assets			99,222	86,231	
Total assets less current liabilities			99,222	86,231	
The funds of the charity:	15				
<u>Unrestricted funds</u>					
Designated fund – contingency fund		28,398		27,533	
General unrestricted funds		39,532		4,533	
			67,930	32,066	
Restricted funds			31,292	54,165	
			99,222	86,231	

For the financial year ended 31 March 2018 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 13.

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 30.7.18
on:

Name: **G. Elias**

The notes on pages 17 to 22 form part of these accounts

FINDING RHYTHMS
Statement of Cash Flows
For year ended 31 March 2018

	Note	2018 £	2017 £
Cash generated/(used) in Operating Activities	17	<u>11,388</u>	<u>(38,271)</u>
<u>Cash flows from investing activities</u>			
Interest income		468	254
Cash provided by/(used in) investing activities		<u>468</u>	<u>254</u>
Cash used in financing activities		<u>0</u>	<u>0</u>
Increase/(decrease) in cash and cash equivalents in the year		11,856	(38,017)
Cash and cash equivalents at the beginning of the year		91,974	129,991
Total cash and cash equivalents at the end of the year		<u>103,830</u>	<u>91,974</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) 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.

c) 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.

d) 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.

e) 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

2. INCOME FROM DONATIONS	2018		2018	2017
	£	£	£	£
	<u>Unrestrict</u>	<u>Restrict</u>	<u>TOTAL</u>	<u>TOTAL</u>
<u>Grants Received</u>	<u>d</u>	<u>d</u>		
Andrew Lloyd Webber Foundation	0	10,000	10,000	10,100
Alchemy Foundation	0	1,000	1,000	0
Arts Council England (Grants for the Arts)	0	13,500	13,500	1,492
C H K Charities Ltd	5,000	0	5,000	0
Chesterhill Charitable Trust	0	0	0	500
City & Metropolitan Welfare Charity	0	0	0	2,000
Cockayne Grants for the Arts	1,000	0	1,000	0
Colwinston Charitable Trust	0	10,000	10,000	0
The Edward & Dorothy Cadbury Charitable Trust	0	1,000	1,000	0
Evan Cornish Foundation	0	0	0	7,500
Garfield Weston Foundation	30,000	0	30,000	0
Gwendoline and Margaret Davies Charity	0	3,000	3,000	0
J Paul Getty Jnr Charitable Trust	0	0	0	10,000
John R Murray Charitable Trust	15,000	0	15,000	0
Moondance Foundation	0	10,000	10,000	0
Sheriffs' and Recorder's Fund	0	0	0	2,000
The 29th May 1961 Charitable Trust	0	0	0	5,000
The Albert Hunt Trust	1,000	0	1,000	0
The Angus Allnatt Charitable Foundation	0	2,000	2,000	0
The Goldsmiths' Company	0	0	0	5,000
The Hobson Charity Ltd	0	5,000	5,000	0
The Ironmongers' Company	0	0	0	6,000
The Leathersellers' Company Charitable Fund	1,500	0	1,500	0
The Mercers' Company	0	0	0	26,711
The National Foundation for Youth Music	0	24,473	24,473	39,156
The Oakdale Trust	0	1,000	1,000	0
The Overstone Fund (Kent Community Foundation)	0	0	0	5,000
Santander Foundation	0	4,900	4,900	0
Sir John Rolls Charitable Trust	1,000	0	1,000	1,000
Trusthouse Charitable Foundation	0	0	0	11,500
Donations	3,149	62	3,211	17,630
	57,649	85,935	143,584	150,589

3. INCOME FROM CHARITABLE ACTIVITIES	Unrestrict		TOTAL	TOTAL
	£	£	£	£
	<u>d</u>	<u>d</u>		
Sale of CDs and merchandise	33	0	33	139
Commercial Service fees	5,650	0	5,650	0
Contributions from prisons	11,407	0	11,407	6,700
	17,090	0	17,090	6,839

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	2018	2017
	£	£
4. INVESTMENT INCOME		
Deposit account interest	<u>468</u>	<u>254</u>
5. EXPENDITURE ON CHARITABLE ACTIVITIES		
	£	£
Musician's fees and related costs	80,606	86,684
Workshop equipment & materials	1,310	1,895
Participant BTEC/EDexcel certification	6,144	6,070
Creative professional fees	340	2,082
CD design and printing	3,145	3,591
Studio and venue hire	(190)	2,037
Support costs (note 6)	55,696	67,279
Governance Costs (note 7)	1,100	1,100
	<u>148,151</u>	<u>170,738</u>
6. SUPPORT COSTS		
	£	£
Staff costs (note 9)	46,938	55,141
Staff recruitment	0	2,328
Staff travel and training	797	1051
Office and general costs	5,356	8,759
Promotional materials	2,605	0
	<u>55,696</u>	<u>67,279</u>
7. GOVERNANCE COSTS		
	£	£
Accountancy fees	200	200
Independent examiner fees	900	900
	<u>1,100</u>	<u>1,100</u>
8. NET OUTGOING RESOURCES		
The Operating Surplus is stated after charging :-	£	£
Depreciation	0	0
Trustee Emoluments	0	0
	<u>0</u>	<u>0</u>
9. ANALYSIS OF STAFF COSTS, AND TRUSTEE REMUNERATION AND EXPENSES		
	£	£
Salaries	45,664	54,012
Employer's National Insurance Contributions	4,049	4,129
Reduced by: Employers Allowance	(3,000)	(3,000)
Employers pension contribution	225	0
	<u>46,938</u>	<u>55,141</u>

No employees received employee benefits exceeding £60,000 (2017 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.

FINDING RHYTHMS

Notes to the accounts

10. STAFF PENSION

Employees of the company are entitled to join a defined contribution 'money purchase' scheme. The company contribution is restricted to the contributions disclosed in note 9.

Finding Rhythms' pension scheme is operated by Smart Pension, whose Master Trust leverages the expertise of FCA regulated investment professionals who only invest pension funds in the largest of blue chip funds (such as Legal & General and HSBC (Sharia fund)), providing protection and opportunities for good, steady growth. The Master Trust is overseen by a board of experienced trustees (the majority of whom are independent), appointed to serve members and to protect their interests. Those trustees have control over scheme assets at all times, ensuring legislation is complied with and value for money criteria are adhered to. Smart Pension charge employees a 0.75% Assets under Management Charge (AMC) per annum and no other fees for their standard service.

11. STAFF NUMBERS

The average monthly head count was two during the year being 1.25 full time equivalents (2017 - three).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

<u>Income</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u> <u>2017</u>
Income from Donations	26,464	124,125	150,589
Income from charitable activities	6839	0	6,839
Investment income	254	0	254
Total Income	<u>33,557</u>	<u>124,125</u>	<u>157,682</u>

<u>Expenditure</u>			
Cost of raising funds	693	0	693
Expenditure on Charitable activities	89,296	81,442	170,738
Total expenditure	<u>89,989</u>	<u>81,442</u>	<u>171,431</u>

Net Income/(Expenditure) (56,432) 42,683 (13,749)

RECONCILIATION OF FUNDS

Total funds brought forward	88,498	11,482	99,980
Total funds carried forward	<u>32,066</u>	<u>54,165</u>	<u>86,231</u>

	<u>2018</u> <u>£</u>	<u>2017</u> <u>£</u>
13. DEBTORS		
Other debtors	10,407	6,700
Prepaid expenses	500	528
	<u>10,907</u>	<u>7,228</u>

14. CREDITORS

Trade Creditors and accruals	14,347	10,885
H M Revenue & Customs	1,061	1,086
Other creditors	107	1,000
	<u>15,515</u>	<u>12,971</u>

FINDING RHYTHMS
Notes to the accounts

15. STATEMENT OF FUNDS	Balance at 31 March 2017	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2018
	£	£	£	£	£
<u>Unrestricted funds</u>					
Designated funds	27,533	0	0	865	28,398
General funds	4,533	75,207	39,343	(865)	39,532
	32,066	75,207	39,343	0	67,930
<u>Restricted funds</u>					
Business Director post	12,756	0	12,756	0	0
HMP The Mount	737	10,000	10,737	0	0
HMP Cardiff	0	12,000	12,000	0	0
HMP Ford	0	4,900	4,900	0	0
HMP Parc	0	12,000	12,000	0	0
Projects in Young Offender Institutions	26,748	27,535	23,991	0	30,292
HMP Rochester & HMP Swaleside	0	13,500	13,500	0	0
Out of prison work	6,424	0	6,424	0	0
HMYOI Swinfen Hall 2017	7,500	5,000	12,500	0	0
HMYOI Swinfen Hall 2018	0	1,000	0	0	1,000
	54,165	85,935	108,808	0	31,292
TOTAL FUNDS	86,231	161,142	148,151	0	99,222

Unrestricted funds are available to be spent for any of the purposes of the charity.
General funds include the balance of a grant from Garfield Weston that is to be spent over two years.
Designated funds have been set aside by the Trustees to provide for contingencies, as outlined in the reserve policy
The balance of funds from The Edward and Dorothy Cadbury Trust will go towards a project at HMYOI Swinfen Hall scheduled to start in June 2018.

The balance of funds from Youth Music will go towards further projects in young offender institutions during 2018 and early 2019

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Designated Funds	Restrict ed Funds	Total Funds
	£	£	£	£
Cash at bank and in hand	42,025	28,398	33,907	103,830
Other net assets /(liabilities)	(2,493)	0	(2,615)	(4,608)
	39,532	28,398	31,292	99,222

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

	2018	2017
	£	£
Net movement in funds	12,991	(13,749)
Deduct interest income shown in investment activities	(468)	(254)
Decrease/(increase) in debtors	(3,679)	(5,566)
Increase/(decrease) in creditors	2,544	(18,702)
Net cash used in operating activities	11,388	(38,271)

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**19. CONTINGENT
LIABILITIES**

The charitable company had no material contingent liabilities at 31 March 2018 (2017 none).

20. RELATED PARTIES

There were no disclosable related party transactions during the year (2017 - none).