

Charity registration number 1187484

Company registration number 11989947 (England and Wales)

SOUND ROOMS LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022
PAGES FOR FILING WITH REGISTRAR

SOUND ROOMS LTD

LEGAL AND ADMINISTRATIVE INFORMATION

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

SOUND ROOMS LTD

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Directors' report | 1 - 2 |
| Independent examiner's report | 3 |
| Statement of financial activities | 4 |
| Balance sheet | 5 |
| Statement of cash flows | 6 |
| Notes to the financial statements | 7 - 10 |

SOUND ROOMS LTD

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

The directors present their annual report and financial statements for the year ended 31 August 2022.

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

Objectives and activities

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

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

Achievements and performance

Financial review

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

Structure, governance and management

The charity is a company limited by guarantee.

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

Mr C E Cade

Mr P Chivers

Mr Comben S

Mrs J Hawthorn

(Resigned 1 March 2022)

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

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

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

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

SOUND ROOMS LTD

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 AUGUST 2022***

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

Mr C E Cade
Director

31 May 2023

SOUND ROOMS LTD

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

I report to the directors on my examination of the financial statements of Sound Rooms Ltd (the charity) for the year ended 31 August 2022.

Responsibilities and basis of report

As the directors of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Alliott Wingham Limited

Kintyre House
70 High Street
Fareham
Hants
PO16 7BB

Dated: 31 May 2023

SOUND ROOMS LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

| | Notes | Unrestricted funds 2022 £ | Total 2021 £ |
|---|-------|------------------------------------|--------------------|
| <u>Income from:</u> | | | |
| Charitable activities | 2 | 31,775 | - |
| <u>Expenditure on:</u> | | | |
| Charitable activities | 3 | 23,770 | - |
| Net income for the year/ Net movement in funds | | 8,005 | - |
| Fund balances at 1 September 2021 | | - | - |
| Fund balances at 31 August 2022 | | 8,005 | - |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SOUND ROOMS LTD

BALANCE SHEET

AS AT 31 AUGUST 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|----------|-----------------|-------|-----------|---|
| Current assets | | | | | |
| Cash at bank and in hand | | 19,807 | | - | |
| Creditors: amounts falling due within one year | 8 | (11,802) | | - | |
| Net current assets | | | 8,005 | | - |
| Income funds | | | | | |
| Unrestricted funds | | | 8,005 | | - |
| | | | 8,005 | | - |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Directors on 31 May 2023

Mr C E Cade
Trustee

Company registration number 11989947

SOUND ROOMS LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|-----------|--------|-----------|---|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 10 | | 19,215 | | - |
| Net cash used in investing activities | | | | | |
| | | | - | | - |
| Financing activities | | | | | |
| Repayment of borrowings | | 592 | | - | |
| Net cash generated from/(used in) financing activities | | | | | |
| | | | 592 | | - |
| Net increase in cash and cash equivalents | | | | | |
| | | | 19,807 | | - |
| Cash and cash equivalents at beginning of year | | | - | | - |
| Cash and cash equivalents at end of year | | | | | |
| | | | 19,807 | | - |

SOUND ROOMS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Income

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

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

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

SOUND ROOMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

1.6 Cash and cash equivalents

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.7 Employee benefits

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

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

SOUND ROOMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Charitable activities

| | Charitable Income | 2021 |
|------------------------------------|----------------------|-------------------|
| | 2022 | |
| | £ | £ |
| Sales within charitable activities | 31,775 | - |
| | <u> </u> | <u> </u> |

3 Charitable activities

| | Charitable Expenditure | 2021 |
|------------------------|---------------------------|-------------------|
| | 2022 | |
| | £ | £ |
| Rates | 1,137 | - |
| Cleaning | 9,632 | - |
| Computer Running Costs | 421 | - |
| Insurance | 2,103 | - |
| Telephone | 60 | - |
| Sundry | 13 | - |
| Penalties | 150 | - |
| Accountancy | 654 | - |
| Power, light & heat | 9,600 | - |
| | <u> </u> | <u> </u> |
| | 23,770 | - |
| | <u> </u> | <u> </u> |
| | 23,770 | - |
| | <u> </u> | <u> </u> |

4 Directors

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

5 Employees

The average monthly number of employees during the year was:

| 2022 Number | 2021 Number |
|-------------------|-------------------|
| 3 | 3 |
| <u> </u> | <u> </u> |

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

SOUND ROOMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

7 Loans and overdrafts

| | 2022 £ | 2021 £ |
|-------------------------|------------|-----------|
| Directors' loans | 592 | - |
| | <u>592</u> | <u>-</u> |
| Payable within one year | 592 | - |
| | <u>592</u> | <u>-</u> |

8 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------|---------------|-----------|
| Borrowings | 592 | - |
| Accruals and deferred income | 11,210 | - |
| | <u>11,802</u> | <u>-</u> |

9 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

10 Cash generated from operations

| | 2022 £ | 2021 £ |
|-------------------------------|---------------|-----------|
| Surplus for the year | 8,005 | - |
| Movements in working capital: | | |
| Increase in creditors | 11,210 | - |
| | <u>19,215</u> | <u>-</u> |

Cash generated from/(absorbed by) operations

11 Analysis of changes in net funds/(debt)

The charity had no debt during the year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.