

Charity no: 1103159
Company no: 4851028

ARMONICO CONSORT LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

16 months ended 31 July 2011

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ARMONICO CONSORT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 16 months ended 31 July 2011

INDEX TO FINANCIAL STATEMENTS AND REPORTS

	Page
Legal and Administrative Information	1
Report of the Board of Trustees and Directors	2
Report of the Independent Examiner	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 - 12

ARMONICO CONSORT LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

For the 16 months ended 31 July 2011

Status:

The organisation is a charitable company limited by guarantee (no 4851028), incorporated on 30 July 2003 and registered as a charity (no 1103159) on 13 April 2004

The company was established under a Memorandum of Association which determined the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10

Directors and Trustees:

C R Monks (Chair)
R G Courtney
P F Rivers

Secretary:

P F Rivers

Registered Office:

Pageant House, 2 Jury Street, Warwick CV34 4EW

Independent Examiner

Michael Williams ACA
Flint & Thompson, 1325A Stratford Road, Hall Green, Birmingham B28 9HL

Bankers:

Lloyds TSB Bank Plc, 12 Swan Street, Warwick CV34 4BJ

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS

For the 16 months ended 31 July 2011

The Board presents its report and the financial statements of the Charity for the 16 months ended 31 July 2011. The Financial Statements have been prepared in accordance with the accounting policies set out on page 9 and 10 and comply with the Charity's Trust Deed and applicable law

Structure, Governance and Management

Governing Document

Armonico Consort Limited is constituted as a company limited by guarantee and was incorporated on 30th July 2003. It is governed by a Memorandum and Articles of Association

Recruitment and Appointment of the Board

Details of the Board, who are Directors for the purpose of company law and trustees for the purpose of charity law, who have served throughout the period are set out on page 1

The selection and appointment of new Board members is determined by the Board in office at that time. This policy is based on a complementary age profile, knowledge of the Charity's areas of activity, general experience in management and also to provide skills complementary to the other members of the Board

Organisation

The Board is responsible for the strategic overview and financial oversight of Armonico Consort Limited. Day to day management of the organisation's activities is in the hands of the Artistic Director and the team of four permanent staff members

Risk management

The Board regularly reviews the major risks to which the charity is exposed - financial, reputational and organisation - and systems have been established to mitigate those risks. The development of a strategic plan which allows for the diversification of funding and activities has proved to be the correct way forward and the Board will be continuing on this path for the foreseeable future. Internal risks have been minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity

Change of Accounting Date

The Board has decided to change the company's accounting date to 31st July, as this better reflects the seasonality of its core business as an educational charity. Hence these accounts cover a 16 month period and any comparisons across different time periods must take this into account

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)

For the 16 months ended 31 July 2011

Our Objectives and Activities

Our charity's purposes are set out in the objects contained in the company's Memorandum of Association

The objects of the Charity are to

- Advance, improve, develop & maintain public education and appreciation of choral & orchestral music, primarily of the renaissance & baroque periods, by promoting or participating in public concerts
- Encourage the musical education of young people by organising and participating in a schools educational programme

When considering the charity's activities, the Trustees are mindful of the Charity Commission's guideline on public benefit

The charity continued to develop its activities and range of its operations during the period, whilst retaining a firm hold on costs. Indeed, over the 16-month period, fundraising and support costs were 17.6% lower than in the previous 12 months, whilst activity with regards to workshops and concerts increased by 79%.

Throughout the 16 month period, concerts received critical acclaim including 5 star reviews from The Times and The Independent, and repeat bookings have continued to be received from important festivals, examples being Harrogate, Canterbury, the choral season at the Cadogan Hall and Salisbury International Festival. Armonico continues to work with established artists, including Sir Willard White and Dame Emma Kirkby, and with young musicians and singers with rapidly growing reputations such as Natalie Clein and Nicola Benedetti. Armonico has also strengthened its relationships with major venues across the country, including The Cadogan Hall, London, Malvern Theatres, and the Octagon, Yeovil. Through the signing of an international contract with agents Hazard Chase Limited, serious enquiries have now been received from promoters in the USA, Thailand and China for work extending into 2014.

During the 16 month period, Armonico has made great progress in its mission to provide free, first-class, music education to as many children as possible, with over 600 children now singing every week in an AC Academy after-school choir. The programme of creating school choirs and leaving a legacy of singing in schools is also developing well with over 20 new choirs and singing leaders being created over this period. In the West Midlands, this education activity was showcased in a gala Armonico tenth anniversary concert which brought together Armonico Consort Choir and Orchestra and AC Academies from Warwick, Stratford upon Avon and Coventry for a performance of Carmina Burana at the new Royal Shakespeare Theatre. This was the start of a longer-term relationship with the RST and was also a stepping stone on the way to a major partnership with the Royal Albert Hall, who have now contracted Armonico Consort to partner them in educational activities throughout 2012. Such schemes will become more important now that the state of public finances means that schools funding for 'extras' such as music and singing become ever more squeezed.

During the 16 month period we recorded two new CDs, both on the Signum label, although one will not be released until May 2012. CD sales have expanded and Naked Byrd 1 and 2 are both played regularly on Classic FM and BBC Radio 3 and international radio stations.

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)

For the 16 months ended 31 July 2011

The new opera concept of 'Monteverdi's Flying Circus' was premiered and then taken on tour around the UK. It was well received and led to some extremely positive press coverage of Armonico Consort's activities in major national newspapers. We were grateful to Arts Council England and everyone else who sponsored this production and made it possible, its success inspired the creation of our second innovative opera, 'Too Hot to Handel', in development throughout 2011.

Fundraising figures

Income	2009-2010 (12months)	2010-2011 (16 months)	Annualised % increase/(decrease)
Total from voluntary sources	£175,964	£257,981	10%
Individual donations	£29,627	£65,454	66%
Charitable foundations	£146,337	£192,527	(1)%
Membership subscriptions	£6,151	£5,900	(28)%

Costs	2009-2010	2010-2011	Annualised % (decrease)
Fundraising costs	£54,020	£39,495	(45)%
Support and administration	£152,499	£130,628	(36)%

While income from fundraising was affected by the general economic climate, we were able to mitigate this through our important relationships with Armonico Artistic Ambassadors who have opened many significant doors for us, both in terms of funding and performance opportunities. A key supporter has also been Sir John Egan (formerly Chief Executive of Jaguar and of BAA plc), the President of our Big Mouth Appeal, which focuses our fund-raising that supports the legacy that AC Academies leave in schools, and the gala performance at the Royal Albert Hall. The shift in donations from restricted to unrestricted funding noted last year has continued and is very beneficial to the charity's activities and financial footing. This is reflected in the increase in income from concert sponsorship and donations from private individuals compared with that from grant-making trusts.

The introduction of a President's Circle, an exclusive membership scheme offering special access to the organisation's activities and a schedule of specially themed events and money-can't-buy experiences, is part of our Individual Giving strategy, which continues to enforce the vital role our education activities have in communities across the West Midlands and London, and which runs together with our performance programme. Developing Individual Giving is in line with strategic funding opportunities offered by Arts Council England, and will continue to play a key role in our income development.

During 2010-2011 there was a stable team of staff and trustees and this has assisted in ensuring that Armonico has continued to grow and develop.

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)

For the 16 months ended 31 July 2011

Plans for the Future

The Board plans to continue with and expand the charity's activities in line with its strategic development plan, and especially to develop key partners linked to the new government music education 'hubs'. The future strategy includes securing a number of longer-term and more predictable contracts for the provision of educational activities, and continuing to develop relationships with more prestigious festivals and venues. It also includes nurturing relationships with individual donors, and donors who are willing to provide unrestricted, rather than restricted, funding. This strategy is already bearing fruit and results for 2011-12 are looking very positive. In these developments, the Artistic Ambassadors and the honorary President play very significant roles, both in attracting funding, and also in broadening our circle of high level contacts and we express our gratitude to them.

Financial Review

The Statement of Financial Activities for the 16 month period is set out on page 7 of the financial statements. Over the period, despite the economic down-turn and consequent fundraising difficulties, we made a surplus of £11,451 (2010 £55,416).

The Trustees are confident that, with the management and fundraising structure now in place, the charity will continue to make a surplus in future years. All of the debt built up in previous years has now been restructured into low or zero interest long-term loans and repayment plans for this debt are in place.

Investment policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish.

Reserves

On the basis that the initiatives outlined in the Board's report are realised, in the opinion of the Board the charity's available assets and future funding are adequate to fulfil the objects of the charity and its plans for the foreseeable future.

Approval

This Report was approved by the Board of Directors and Trustees on 20 February 2012 and signed on its behalf by.



C R Monks -Chair

ARMONICO CONSORT LIMITED

REPORT OF THE INDEPENDENT EXAMINER

For the 16 months ended 31 July 2011

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
ARMONICO CONSORT LIMITED**

I report on the accounts of the Charity for the period ended 31 July 2011 which are set out on pages 7 to 12

Respective responsibilities of Trustees and Examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an Independent Examination is needed.

It is my responsibility to

- examine the accounts under section 43 of the 1993 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Review

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. 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 connection with 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 are kept in accordance with section 41 of the 1993 Act, and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Acthave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

MD WILLIAMS

**M D Williams
Chartered Accountant
1325a Stratford Road
Hall Green
Birmingham B28 9HL**

Date: 14 March 2012

ARMONICO CONSORT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)
For the 16 months ended 31 July 2011

Incoming Resources	Note	Unrestricted Funds	Restricted Funds	16 months ended 31 July 2011	12 months ended 31 March 2010
		£	£	£	£
Incoming resources from generated funds					
Voluntary income					
Grants - charitable foundations		-	192,527	192,527	146,337
Donations		65,454	-	65,454	29,627
Incoming resources from charitable activities					
Concert and workshop income		218,610	109,275	327,885	312,353
Subscriptions		5,900	-	5,900	6,151
Merchandising income		8,802	-	8,802	4,582
Total Incoming Resources		298,766	301,802	600,568	499,050
Resources expended	2				
Costs of generating funds					
Fundraising and donations		39,495	-	39,495	54,020
Charitable activities					
Concert and workshop		179,787	225,229	405,016	226,560
Support costs		104,502	26,126	130,628	152,499
Governance costs		13,978	-	13,978	10,555
Total Resources Expended		337,762	251,355	589,117	443,634
Net Income Resources/(Resources Expended)		(38,996)	50,447	11,451	55,416
Transfer between funds		57,758	(57,758)	-	-
Net movement in funds		18,762	(7,311)	11,451	55,416
Fund balances brought forward at 1 April 2010		(245,257)	25,280	(219,977)	(275,393)
Fund balances carried forward at 31 July 2011		(226,495)	17,969	(208,526)	(219,977)

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

All incoming resources and resources expended derive from continuing activities

The notes on pages 9 to 12 form part of these financial statements

ARMONICO CONSORT LIMITED

BALANCE SHEET AT 31 JULY 2011

Company Number: 4851028

	Note	31 July 2011		31 March 2010	
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	5		2		538
Current Assets					
Stock	6	5,788		7,291	
Debtors	7	32,663		7,334	
Cash at bank and in hand		18,085		35,919	
		<u>56,536</u>		<u>50,544</u>	
Current Liabilities					
Creditors amounts falling due within one year	8	<u>202,496</u>		<u>198,596</u>	
Net Current Liabilities			<u>(145,960)</u>		<u>(148,052)</u>
Total Assets less Current Liabilities			<u>(145,958)</u>		<u>(147,514)</u>
Creditors amounts falling due after more than one year	10		(62,568)		(72,463)
Net Liabilities			<u>(208,526)</u>		<u>(219,977)</u>
Funds					
Unrestricted Funds			(226,495)		(245,257)
Restricted Funds			17,969		25,280
Total Funds	12		<u>(208,526)</u>		<u>(219,977)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 July 2011

The board have not required the company to obtain an audit of its financial statements for the period ended 31 July 2011 in accordance with Section 476 of the Companies Act 2006

The members acknowledge their responsibilities for

- Ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the trustees/directors on 20 February 2012 and were signed by

C R Monks
Director



P F Rivers
Director



The notes on pages 9 to 12 form part of these financial statements

ARMONICO CONSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 16 months ended 31 July 2011

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recommended Practice, (SORP) – “Accounting and Reporting by Charities”, applicable Accounting Standards and the Companies Act.

(b) Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

(c) Fund accounting

General Funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated Funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Investment income and gains are allocated to the appropriate fund.

(d) Incoming resources

Voluntary income including donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Grants are matched to the expenditure to which they relate.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received from the staging of concerts, members' subscriptions and sale of merchandise.

(e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

ARMONICO CONSORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 16 months ended 31 July 2011

(f) **Tangible Fixed Assets**

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives as follows

Furniture and equipment	25% per annum
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(g) **Stock**

Stock consists of purchased goods for resale Stocks are valued at the lower of cost and net realisable value

(h) **Lease Commitments**

Payments made under an operating lease agreement are written off in the period to which they relate

2 Analysis of Total Resources Expended

	<u>Staff Costs</u> £	<u>Other Direct Costs</u> £	<u>Depreciation</u> £	<u>16 months 31 July 2011 Total</u> £	<u>12 months 31 March 2010 Total</u> £
Charitable Expenditure					
Concert and workshop	-	405,016	-	405,016	226,560
Support costs	51,299	78,793	536	130,628	152,499
Grants and fundraising	22,732	16,763	-	39,495	54,020
Governance costs	-	13,978	-	13,978	10,555
Total for charity	74,031	514,550	536	589,117	443,634

Resources Expended

Governance costs include:

Audit fee	-	5,050
Independent Examiner's Fee	3,000	-
Accountancy and other services	2,816	5,505
Legal and other professional fees	8,162	-
	<u>13,978</u>	<u>10,555</u>

3 Staff costs

	<u>2011</u> £	<u>2010</u> £
Staff costs were as follows		
Salaries and wages	68,274	66,807
Social security costs	5,757	5,296
Pension contributions	-	1,737
Total	<u>74,031</u>	<u>73,840</u>

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows,

	<u>2011</u> No	<u>2010</u> No
Administration and support	3	4
Fundraising	1	1
	<u>4</u>	<u>5</u>

No employee received more than £60,000 during the year

ARMONICO CONSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 16 months ended 31 July 2011

4 Trustees' remuneration and expenses

No member of the Board of Trustees received any remuneration and expenses during the year.

5. Tangible Fixed Assets

	Furniture & Equipment
Cost	£
At 31 March 2010	4,337
Additions	-
At 31 July 2011	<u>4,337</u>
Depreciation	
At 31 March 2010	3,799
Charge for the year	536
At 31 July 2011	<u>4,335</u>
Net book value	
At 31 July 2011	<u>2</u>
At 31 March 2010	<u>538</u>

6. Stock

	2011	2010
	£	£
Compact Discs for resale	2,304	7,291
Work in progress	3,484	-
	<u>5,788</u>	<u>7,291</u>

7. Debtors: amounts falling due within one year

	2011	2010
	£	£
Trade debtors	6,500	5,402
Prepayments and accrued income	26,163	1,932
	<u>32,663</u>	<u>7,334</u>

8. Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	113,709	61,449
Bank overdraft	20,784	57,570
Bank loan	11,429	-
Loans	34,027	53,224
Social security and other taxes	9,363	8,874
Accruals & deferred income	13,184	17,479
	<u>202,496</u>	<u>198,596</u>

9. Operating lease commitments

The following operating lease payments are committed to be paid within one year -

	2011	2010
	£	£
Expiring -		
Within 2 to 5 years land and buildings	<u>6,450</u>	<u>6,450</u>

ARMONICO CONSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 16 months ended 31 July 2011

10. Creditors: amounts falling due after more than one year	2011	2010
	£	£
Bank loan repayable within five years	24,103	-
Loans repayable within five years	<u>38,465</u>	<u>72,463</u>
	<u>62,568</u>	<u>72,463</u>

The loans, which are unsecured, bear interest at a current maximum of 3% over Bank of England base rate calculated on a monthly basis

11. Secured Debts	2011	2010
	£	£
The following secured debts are included within creditors		
Bank loan and overdraft	<u>56,316</u>	<u>57,570</u>

12. Movements in funds	At 1 April 2010 £	Income £	Expenditure £	Transfers £	At 31 July 2011 £
Unrestricted Fund:					
General Reserve	(245,257)	298,766	(337,762)	57,758	(226,495)
Restricted Funds:					
Grants Receivable	25,280	301,802	(251,355)	(57,758)	17,969
Total Funds	<u>(219,977)</u>	<u>600,568</u>	<u>(589,117)</u>	<u>-</u>	<u>(208,526)</u>

The accounting policies at Note 1(c) describe the basis of fund accounting

The balance at the year end relating to Grants Receivable represent specific projects where delivery is incomplete and further costs will be incurred

The transfer from Restricted to Unrestricted Funds represent the proportion of restricted funding attributable to administrative and support costs for specific projects

- 13. Related Party Transactions**
Mrs C R Monks is Chair of the Board of Trustees and is the wife of Mr C Monks, the Artistic Director. During the 16 month period, Cherry Street Productions Limited, of which Mr Monks is a director and controlling shareholder, provided services to the value of £57,525. At 31 July 2011 Cherry Street Productions Limited was owed £21,885, which is included in Trade Creditors under usual trading terms, and £12,855 by way of a loan. With regard to the loan, £7,200 is repayable by 31 July 2012 and £5,655 is due by 31 July 2013. The loan attracts interest of 3% over Bank of England base rate.

- 14. Going Concern**
The accounts have been prepared on a going concern basis. This assumes that the anticipated cashflows from fundraising, educational and concert activities will be realised and financial support at the level required will continue from the charity's bankers, other lenders and creditors.