

Charity no: 1103159
Company no: 4851028

ARMONICO CONSORT LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2010



ARMONICO CONSORT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2010

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ARMONICO CONSORT LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 March 2010

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)

D I Rhodes - resigned 31 October 2009

C Ball - resigned 31 October 2009

R G Courtney

N Wynn Evans - appointed 8 December 2008, resigned 1 October 2009

P Rivers – appointed 1 October 2009

Z Adam – appointed 1 October 2009, resigned 31 March 2010

Secretary:

J Adam - resigned 31 August 2009

P Rivers – appointed 1 October 2009

Registered Office:

Pageant House, 2 Jury Street, Warwick CV34 4EW

Senior Statutory Auditor

Michael Williams ACA

Auditors:

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 year ended 31 March 2010

The Board presents its report and the audited financial statements for the year ended 31 March 2010. The Board have adopted the provisions of the Statement of Recommended Practice Accounting and Reporting by Charities SORP 2005 issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006 in preparing the Annual Report and Financial Statements of the charity.

Activities and Objects

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 year.

Throughout the year, concerts received critical acclaim, and repeat bookings have continued to be received from important festivals, examples being Canterbury, Chichester, Harrogate, Brighton and the Three Choirs Festival. Armonico continues to work with established artists, including Crispian Steele-Perkins and Emma Kirkby, and with young musicians and singers with rapidly growing reputations such as Natalie Clein and Elin Manahan Thomas. Armonico has also strengthened its relationships with major venues across the country, including Malvern Theatres, Theatre Severn Shrewsbury and the Octagon, Yeovil.

The appointment of a full-time Director of Education has enabled Armonico to make great progress in its mission to provide free, first-class, music education to as many children as possible. AC Academy in Warwick continues to thrive and the AC Academies in Stratford and Coventry are now becoming well-established. The 'Find Your Talent' scheme in Telford has been a great success with choirs established in eight schools. Armonico obtained funding to run a similar scheme in Newham, Hackney and Tower Hamlets where six schools have benefited. Such schemes will become more important now that the state of public finances means that funding for 'extras' such as music and singing become ever more squeezed. These programmes and the three current AC Academies mean we are well on our way to achieving our goal of filling the Royal Albert Hall with children's voices at a Gala Concert in November 2012.

During the year we recorded two new CDs, one of which has been released on the Signum label, the other is due for release in early 2011. CD sales have expanded and Naked Byrd 1 is played regularly on Classic FM and BBC Radio 3.

Having completed the tour of Rossini's Barber of Seville, we decided to take a step back from opera production for the remainder of the year to concentrate on developing a new concept, 'Monteverdi's Flying Circus', for the autumn of 2010. This has proved to be a very positive development, gaining strong support from Arts Council England and enabling a number of new and significant relationships to be created.

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)

For the year ended 31 March 2010

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. There has been a noticeable shift in donations from restricted to unrestricted funding, which has been very beneficial to the charity's activities and financial footing. An example of this is the increase in concert sponsorship and donations from private individuals rather than grant-making trusts. We have also reviewed and restructured the fundraising team and are confident that we are in a positive position for raising funds and developing further income in the future.

During 2009-2010, the Board reviewed staffing and management resources and as a consequence made changes to reduce the cost-base. The arrangements put in place in the autumn of 2009 are working very effectively. The Board also determined that Armonico should concentrate on its core activities and so its principal loss-making activity, Warwick Music Live, was suspended and there are no plans to re-instate this.

There were also changes in Trustees and we thank the departing members for their contribution to Armonico in its crucial early years. The new team of Trustees cover a wide variety of skills necessary for overseeing an organisation such as Armonico Consort.

Financial Review

The Statement of Financial Activities for the year is set out on page 8 of the financial statements. Over the year, despite the economic down-turn and consequent fundraising difficulties, we made a surplus of £55,416 (2009 net resources expended £139,598). This is a significant turn-around from the previous year and reflects the changes made to staffing and improved cost management.

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. Most of the debt built up in previous years has now been restructured into low or zero interest long-term loans, debt bearing higher interest will be repaid in 2010 and a repayment programme for the long-term debt is in place.

Future Strategy

The Board plans to continue with and expand the Charity's activities in line with its development plan. The future strategy includes developing a number of longer-term and more predictable contracts for the provision of educational activities, and continuing to develop relationships with more prestigious and therefore wealthier festivals. It also includes developing and 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 2010-11 are looking very positive. In these developments, the role of the Artistic Ambassadors is very significant, both in attracting funding, and also in providing well-placed contact, and we express our gratitude to them.

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)

For the year ended 31 March 2010

Reserves Policy

On the basis that the above initiatives 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

Risk Management

The Board has reviewed the major risks to which the charity is exposed and systems have been established to mitigate those risks. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal risks are 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.

Statement of the Board of Trustees' responsibilities

Company law requires the Board to prepare 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 incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Board is required to

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

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

In so far as the Board is aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Board has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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 and, being eligible, they offer themselves for re-election at the forthcoming Annual General Meeting.

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 area, general experience in managing charities and also to provide skills complementary to the other members of the Board.

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)

For the year ended 31 March 2010

Auditors

Flint & Thompson were re-appointed as the charitable company's Auditors during the year and have expressed their willingness to continue in that capacity

Approval

This Report was approved by the Board on August 25 2010 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'C R Monks', written in a cursive style.

C R Monks
Director

ARMONICO CONSORT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARMONICO CONSORT LIMITED

We have audited the financial statements of Armonico Consort for the year ended 31 March 2010 which comprise of the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein and the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Armonico Consort Limited for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we required for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practice Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ARMONICO CONSORT LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARMONICO
CONSORT LIMITED (CONTINUED)**

Opinion

In our opinion,

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to Smaller Entities)
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements



**Michael Williams ACA (Senior Statutory Auditor)
for and on behalf of Flint & Thompson
Logistics House
1325a Stratford Road
Hall Green
Birmingham
West Midlands B28 9HL**

September 1 2010

ARMONICO CONSORT LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2010**

Incoming Resources	Note	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
Incoming resources from generated funds					
Voluntary income					
Grants and charitable foundations		-	146,337	146,337	123,526
Donations		29,627	-	29,627	6,226
Incoming resources from charitable activities					
Concert and workshop income		219,779	92,574	312,353	387,197
Subscriptions		6,151	-	6,151	7,465
Merchandising income		4,582	-	4,582	5,874
Total Incoming Resources		260,139	238,911	499,050	530,288
Resources expended	2				
Costs of generating funds					
Fundraising and donations		54,020	-	54,020	46,802
Charitable activities					
Concert and workshop		57,227	169,333	226,560	446,640
Support costs		124,623	27,876	152,499	168,108
Governance costs		10,555	-	10,555	8,336
Total Resources Expended		246,425	197,209	443,634	669,886
Net Income Resources/(Resources Expended)		13,714	41,702	55,416	(139,598)
Transfer between funds		43,901	(43,901)	-	-
Net movement in funds		57,615	(2,199)	55,416	(139,598)
Fund balances brought forward at 1 April 2009		(302,872)	27,479	(275,393)	(135,795)
Fund balances carried forward at 31 March 2010		(245,257)	25,280	(219,977)	(275,393)

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 10 to 13 form part of these financial statements

ARMONICO CONSORT LIMITED

BALANCE SHEET AT 31 MARCH 2010

Company Number: 4851028

	Note	2010	2009
		£	£
Fixed Assets			
Tangible Fixed Assets	5	538	1,562
Current Assets			
Stock	6	7,291	4,644
Debtors	7	7,334	21,563
Cash at bank and in hand		35,919	48,051
		<u>50,544</u>	<u>74,258</u>
Current Liabilities			
Creditors amounts falling due within one year	8	<u>198,596</u>	<u>249,408</u>
Net Current (Liabilities)		<u>(148,052)</u>	<u>(175,150)</u>
		(147,514)	(173,588)
Creditors amounts falling due after more than one year	10	(72,463)	(101,805)
Net (Liabilities)		<u>(219,977)</u>	<u>(275,393)</u>
Funds			
Unrestricted Funds		(245,257)	(302,872)
Restricted Funds		25,280	27,479
Total Funds	11	<u>(219,977)</u>	<u>(275,393)</u>

These financial statements are prepared in accordance with the Special Provisions of Part 15 of the Companies Act 2006 relating to small companies

These Financial Statements on pages 8 to 13 were approved by the Board of Trustees on August 25 2010 and were signed on its behalf by



C R Monks
Director

The notes on pages 10 to 13 form part of these financial statements

ARMONICO CONSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006.

(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 year ended 31 March 2010

(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) **Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the period are charged in the Statement of Financial Activities.

(i) **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

	Staff Costs	Other Direct Costs	Depreciation	2010 Total	2009 Total
	£	£	£	£	£
Charitable Expenditure					
Concert and workshop	-	226,560	-	226,560	446,640
Support costs	35,424	116,051	1,024	152,499	168,108
Grants and fundraising	38,416	15,604	-	54,020	46,802
Governance costs	-	10,555	-	10,555	8,336
Total for charity	73,840	368,770	1,024	443,634	669,886

Resources Expended

Governance costs include

Audit fee

5,050 3,250

Accountancy and other services

5,505 5,086

10,555 8,336

3 Staff costs

**2010
£** **2009
£**

Staff costs were as follows

Salaries and wages

66,807 66,044

Social security costs

5,296 5,699

Pension contributions

1,737 1,167

Total

73,840 72,910

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

	2010 No	2009 No
Administration and support	4	3
Fundraising	1	1
	5	4

No employee received more than £80,000 during the year.

ARMONICO CONSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 March 2010**

4 Trustees' remuneration and expenses

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

5. Tangible Fixed Assets

Cost

At 31 March 2009

Additions

At 31 March 2010

Furniture & Equipment

£

4,337

-

4,337

Depreciation

At 31 March 2009

Charge for the year

At 31 March 2010

2,775

1,024

3,799

Net book value

At 31 March 2010

538

At 31 March 2009

1,562

6. Stock

Compact Discs for resale

2010

£

7,291

2009

£

4,644

7. Debtors: amounts falling due within one year

Trade debtors

Prepayments and accrued income

2010

£

5,402

1,932

7,334

2009

£

17,904

3,659

21,563

8. Creditors: amounts falling due within one year

Trade creditors

Bank overdraft

Loans

Social security and other taxes

Accruals

2010

£

61,449

57,570

53,224

8,874

17,479

198,596

2009

£

73,988

74,954

35,624

8,287

56,555

249,408

9. Operating lease commitments

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

Expiring -

Within 2 to 5 years land and buildings

2010

£

6,450

2009

£

6,450

ARMONICO CONSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2010

10. Creditors: amounts falling due after more than one year	2010	2009
	£	£
Loans repayable within five years	<u>72,463</u>	<u>101,805</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. Movements in funds

	At 1 April 2009 £	Income £	Expenditure £	Transfers £	At 31 March 2010 £
Unrestricted Fund:					
General Reserve	(302,872)	260,139	(246,425)	43,901	(245,257)
Restricted Funds:					
Grants Receivable	27,479	238,911	(197,209)	(43,901)	25,280
Total Funds	<u>(275,393)</u>	<u>499,050</u>	<u>(443,634)</u>	<u>-</u>	<u>(219,977)</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

12. Ultimate controlling party

The ultimate controlling party of the charity is the Board of Trustees

13. 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