

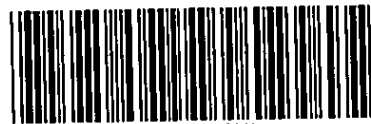
**Charity no: 1103159**  
**Company no: 4851028**

**ARMONICO CONSORT LIMITED**  
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**

**Year ended 31 July 2013**

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**ARMONICO CONSORT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 July 2013**

**INDEX TO FINANCIAL STATEMENTS AND REPORTS**

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# **ARMONICO CONSORT LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

**For the year ended 31 July 2013**

### **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  
J R Sampson

### **Registered Office:**

5 Pegasus House, Olympus Avenue, Warwick CV34 6LW

### **Independent Examiner**

Michael Williams FCA  
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 July 2013**

The Board presents its report and the financial statements of the Charity for the year ended 31 July 2013. 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 30<sup>th</sup> 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 five permanent staff members.

#### **Risk management**

The Board regularly reviews the major risks to which the charity is exposed - financial, reputational and organisational - 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.

## **ARMONICO CONSORT LIMITED**

### **REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)**

**For the year ended 31 July 2013**

#### **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 and maintain public education and appreciation of choral and orchestral music, primarily of the renaissance and 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. During the period, key new major partnerships were also developed with The Royal Albert Hall's education department, and Youth Music

#### **August 2012 – July 2013**

After a very successful year in 2011-12, Armonico Consort's national reputation has continued to grow through education programmes and concert and opera work. This has particularly been the case with high profile media coverage, especially through Classic FM. The charity will now work towards its first tour of the US in 2015 – 2016

The biggest single success of the year was the outcome of the partnership with the Royal Albert Hall, a gala performance bringing 1300 AC Academy singers together on the RAH stage. This was the culmination of four years of choir creation and teacher training programmes across the UK. This concert and resulting profile have had a spectacular effect on our future both in terms of reputation and PR and also in new relationships with grant-making trusts

Armonico Consort's reputation for developing and creating new and innovative programmes of concert and opera rose with the creation of 'Baroque Around the Block' a 'family opera' in a Horrible Histories style, which allows us to introduce the genre to thousands of people who have not previously attended an opera. We will be further developing this programme in 2014. Other new programmes were that of folk music, which we also recorded - Greensleeves - and Venetian Blinders. The family opera genre has opened a whole new angle of approach linking our AC Academy education work and our professional performance, and if the initial tour is deemed a success, we will plan further projects in a similar style with other periods of music history

We have altered our contract with Hazard Chase in order to bring many elements of concert promotion in the UK back in-house. We continue the relationship with HCL, but it made more economic sense for the Consort to do this once the relationships have developed with promoters. National and international radio airplay has increased dramatically with the release of our latest CD – Let the Bright Seraphim (Signum Records)

Arts Council England has continued to be supportive through its Grants for the Arts programme, with major grants covering investment in a new education programme 'AC Academy Pro'. This fills a gap in our current delivery, providing high quality performance opportunities for 13 – 22 year olds to work with fully trained professional musicians and directors. Youth Music and Arts Council England have also offered grants to extensively develop our Special Needs programmes throughout the UK. Choir Creation projects are a continuing success and we have also been developing the compositional angle of our AC Academy programme in a project called 'Spemalot', which will see 24 young composers across the UK write a 21 Century version of Tallis's 40 part motet - Spem in Alium

## **ARMONICO CONSORT LIMITED**

### **REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)**

**For the year ended 31 July 2013**

Taking our work in a new direction, we have entered a contract with the City of Coventry performing arts service to take over the delivery of music education and singing across the city. Once we have completed the first year of this, and have evaluated it, we intend to roll out the AC Academy CITY package across the UK.

During the year, our choir creation programmes have worked with more than 5000 pupils and teachers, 15,000 children have benefited from an education workshop across the UK, and more than 800 children sing weekly in an AC Academy choir across the UK. The gala concert at the Royal Albert Hall was a fantastic focus for these children, and we will be developing further partnerships like this in the future, with discussions already taking place with Symphony Hall, Birmingham.

Music Education in England has been reorganised into 'hubs' and we are working in partnership with a number of these to develop joint applications for support to major national grant-making bodies, and this has been very successful. For example, Armonico Consort is one of the partners in a £150,000 Arts Council England-funded programme to develop the fundraising strategies and programmes across five key partners (Birmingham, Coventry and Solihull Music Service, and Ex Cathedra choir plus Orchestra of the Swan). Armonico Consort also became formal partners in five of the new education hubs from London to Telford and Wrekin. We now work closely with these organisations, developing our programme alongside theirs to maximise the delivery of our collective outputs. The area of these partnerships is something that we expect to develop significantly over the coming years, as the core funding from central sources is reduced and the need for our input and investment is increased.

#### **Fundraising**

The consort now has well over 200 different sources of income, which the trustees feel is a great strength, and this number is constantly increasing. One notable area of increased giving is philanthropic support from individuals for artistic projects, in line with the USA model – the President's Circle, and Artistic Ambassadors have been great supporters in this area. (The President continues to be Sir John Egan (formerly Chief Executive of Jaguar and of BAA plc).) We continue to be grateful to grant-making Trusts such as the Foyle Foundation who this year gave £10,000 for the development of our new concept children's opera, *Baroque Around the Block*.

The Big Mouth Appeal achieved its target of £500,000 and during the period, we launched the Futures appeal, which will aim to raise £850,000 over 3 years to 2016.

The number of smaller donations for fixed single day workshops has decreased, but this has been markedly offset by the number of larger donations of more than £10,000. This has enabled the charity to widen its strategic vision with confidence, and plan further ahead. It has also given us added weight when developing partnerships as what we are able to offer in return becomes increasingly significant. We continue to find it difficult to raise money for what we see as the most important part of what we do – training workshop leaders – and this will be at the heart of a major appeal in 2014.

Arts Council England and Youth Music continue to be significant funders of specific projects, and we are very grateful for this, but we do not receive any regular, guaranteed funding from either of these organisations.

During 2012-2013 there was a stable team of staff and trustees and this has assisted in ensuring that Armonico has continued to grow and develop. We have also increased the number of regular volunteers to more than 30, enabling the staff to concentrate on the more strategic angles of their work, and day-to-day management of the volunteers. We continue to outsource production management as that is still seen as the most cost efficient way of running operas.

## **ARMONICO CONSORT LIMITED**

### **REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)**

**For the year ended 31 July 2013**

#### **Plans for the Future**

The Board plans to 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 2013 - 14 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 year 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 £35,790 (2012 £52,740). The deficit of £270,000 in 2009 has now been reduced to £119,000 and the outstanding debt is structured in a way that will see a positive balance sheet by early 2015.

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 12 February 2014 and signed on its behalf by



C R Monks -Chair

## **ARMONICO CONSORT LIMITED**

### **REPORT OF THE INDEPENDENT EXAMINER**

**For the year ended 31 July 2013**

### **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 2013 which are set out on pages 7 to 12

#### **Respective responsibilities of Trustees and Examiner**

The trustees (who are also directors of the company for the purposes of company law) 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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 145 of the 2011 Act,
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act, and
- 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.

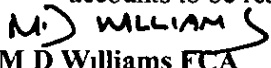
#### **Independent Examiner's Statement**

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 386 of the Companies Act 2006, and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Section 396 of the Companies Act 2006 and with the methods and principals of the Statement of Recommended Practice Accounting and Reporting by Charities

have 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

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

**Date: 12 February 2014**



# ARMONICO CONSORT LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) For the year ended 31 July 2013

<b>Incoming Resources</b>	<b>Note</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Incoming resources from generated funds					
Voluntary income					
Grants - charitable foundations		118,536	73,366	191,902	164,899
Donations		41,949	5,960	47,909	52,479
Incoming resources from charitable activities					
Concert and workshop income		186,132	38,965	225,097	241,668
Subscriptions		4,012	-	4,012	4,599
Merchandising income		6,181	-	6,181	8,609
<b>Total Incoming Resources</b>		<b>356,810</b>	<b>118,291</b>	<b>475,101</b>	<b>472,254</b>
Resources expended	<b>2</b>				
Costs of generating funds					
Fundraising and donations		62,751	-	62,751	47,453
Charitable activities					
Concert and workshop		248,412	121,381	369,793	364,962
Governance costs		6,767	-	6,767	7,099
<b>Total Resources Expended</b>		<b>317,930</b>	<b>121,381</b>	<b>439,311</b>	<b>419,514</b>
<b>Net Income Resources/(Resources Expended)</b>		<b>38,880</b>	<b>(3,090)</b>	<b>35,790</b>	<b>52,740</b>
Fund balances brought forward at 1 August 2012		(176,661)	20,875	(155,786)	(208,526)
<b>Fund balances carried forward at 31 July 2013</b>		<b>(137,781)</b>	<b>17,785</b>	<b>(119,996)</b>	<b>(155,786)</b>

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 2013

Company Number: 4851028

	Note	2013	2012
		£	£
<b>Fixed Assets</b>			
Tangible Fixed Assets	5		
<b>Current Assets</b>			
Stock	6	6,276	3,437
Debtors	7	13,227	21,243
Cash at bank and in hand		23,381	27,380
		<u>42,884</u>	<u>52,060</u>
<b>Current Liabilities</b>			
Creditors amounts falling due within one year	8	<u>129,776</u>	<u>154,972</u>
<b>Net Current Liabilities</b>		<u>(86,892)</u>	<u>(102,912)</u>
<b>Total Assets less Current Liabilities</b>		<u>(86,890)</u>	<u>(102,910)</u>
Creditors amounts falling due after more than one year	10	(33,106)	(52,876)
<b>Net Liabilities</b>		<u>(119,996)</u>	<u>(155,786)</u>
<b>Funds</b>			
Unrestricted Funds		(137,781)	(176,661)
Restricted Funds		17,785	20,875
<b>Total Funds</b>	12	<u>(119,996)</u>	<u>(155,786)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 July 2013

The board have not required the company to obtain an audit of its financial statements for the period ended 31 July 2013 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 12 February 2014 and were signed by

C R Monks  
Director



R G Courtney  
Director



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

# ARMONICO CONSORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2013

### 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 year ended 31 July 2013**

(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

(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>2013 Total</u>	<u>2012 Total</u>
	£	£	£	£	£
<b>Charitable Expenditure</b>					
Concert and workshop	-	268,300	-	268,300	263,818
Support costs	75,510	45,063	-	120,573	116,262
Grants and fundraising	39,363	6,165	-	45,528	34,302
Governance costs	-	4,910	-	4,910	5,132
Total for charity	114,873	324,438	-	439,311	419,514

**Resources Expended**

Governance costs include

Independent Examiner's Fee

Accountancy and other services

	3,000	3,000
	1,910	2,132
	<u>4,910</u>	<u>5,132</u>

**3 Staff costs**

Staff costs were as follows

Salaries and wages

Social security costs

Total

	<u>2013</u>	<u>2012</u>
	£	£
Salaries and wages	106,149	79,780
Social security costs	8,724	6,489
Total	<u>114,873</u>	<u>86,269</u>

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

	<u>2013</u>	<u>2012</u>
	No	No
Administration and support	4	3
Fundraising	1	1
	<u>5</u>	<u>4</u>

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

# ARMONICO CONSORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 July 2013

### 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 July 2012

Additions

At 31 July 2013

#### Furniture & Equipment

£

4,337

-

4,337

#### Depreciation

At 31 July 2012

Charge for the year

At 31 July 2013

4,335

-

4,335

#### Net book value

At 31 July 2013

2

At 31 July 2012

2

### 6. Stock

Compact Discs for resale

Work in progress

2013

£

2,730

3,546

6,276

2012

£

3,437

-

3,437

### 7. Debtors: amounts falling due within one year

Trade debtors

Prepayments and accrued income

2013

£

12,790

437

13,227

2012

£

21,243

-

21,243

### 8. Creditors: amounts falling due within one year

Trade creditors

Bank overdraft

Bank loan

Unsecured loans

Social security and other taxes

Accruals & deferred income

2013

£

32,680

19,616

11,912

37,736

7,051

20,781

129,776

2012

£

60,337

20,000

11,472

17,441

14,428

31,294

154,972

### 9. Operating lease commitments

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

Expiring -

Between one and five years land and buildings

2013

£

9,600

2012

£

6,450

# ARMONICO CONSORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 July 2013

<b>10. Creditors: amounts falling due after more than one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank loan repayable within five years	1,106	13,043
Unsecured loans repayable within five years	32,000	39,833
	<u>33,106</u>	<u>52,876</u>

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

<b>11. Secured Debts</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
The following secured debts are included within creditors		
Bank loan and overdraft	<u>32,634</u>	<u>44,515</u>

<b>12. Movements in funds</b>	<b>At 1 August 2012 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>At 31 July 2013 £</b>
<b>Unrestricted Fund:</b>				
General Reserve	(176,661)	356,810	317,930	(137,781)
<b>Restricted Funds:</b>				
Grants Receivable	20,875	118,291	121,381	17,785
<b>Total Funds</b>	<u>(155,786)</u>	<u>475,101</u>	<u>439,311</u>	<u>(119,996)</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

- 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 year Cherry Street Productions Limited, of which Mr Monks is a director and controlling shareholder, provided services to the value of £50,140. At 31 July 2013 Cherry Street Productions Limited was owed £4,500, which is included in Trade Creditors under usual trading terms, and £29,736 by way of a loan. The loan is repayable by 31 July 2014. 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.