

Charity no: 1103159
Company no: 4851028

ARMONICO CONSORT LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

Year ended 31 July 2012



ARMONICO CONSORT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2012

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 year ended 31 July 2012

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 - resigned 19 July 2012
J R Sampson - appointed 19 July 2012

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 year ended 31 July 2012

The Board presents its report and the financial statements of the Charity for the year ended 31 July 2012. 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.

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)

For the year ended 31 July 2012

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

August 2011 – July 2012

Following the hugely successful year of 2010 – 2011, which saw the group's national reputation soar through its education programmes and concert and opera work, with Armonico Consort achieving two five star reviews in The Independent and The Times, the group's reputation has continued to grow. The most notable achievement is that average audience attendance per concert has increased 12% on the previous year.

An exclusivity contract was signed with Hazard Chase Limited (who also represent the Tallis Scholars), and both the number of concerts booked and also the average income from bookings have increased, enabling us to give much needed income to musicians and to manage projects more efficiently and safely, safeguarding our good reputation. National and international radio airplay has increased dramatically with the release of our latest CD – Naked Byrd Two - as evidenced by the considerably increased income from PPL.

Armonico Consort's reputation for developing and creating new and innovative programmes of concert and opera took a new twist with the creation of 'Too Hot to Handel' which was received extremely well by audience and reviewers. This work looks set to tour for a further two years, and has firmly established the group's reputation for bringing high quality staging of opera to new audiences. Other new programmes included a recreation of the Coronation of Queen Elizabeth II which saw partnerships with regional choirs including many young people. This is a project which will be developed and performed a number of times in 2013.

Through Hazard Chase, and other connections, Armonico is now working on significant partnerships with the USA and China to develop concerts and education work in those areas. These projects are expected to commence in 2014 – 2016.

Arts Council England has continued to be supportive through its grants for the arts programme, with major grants covering investment in a new opera 'Baroque Around the Block', the tour of 'Too Hot to Handel' and support towards our performance at the Royal Albert Hall.

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)

For the year ended 31 July 2012

The education department developed significantly, and with the appointment of a dedicated full-time education manager, the programme of activity has expanded dramatically. The year has seen a big increase in the delivery of our choir creation and teacher training programme, reaching over 5000 pupils and teachers, with over 15,000 children receiving a workshop across the UK, and well over 700 children singing weekly in an AC Academy choir across the UK. The partnership with the Royal Albert Hall was formalised, and we now represent them across the UK in bringing singing opportunities of the highest standards to children from a wide range of backgrounds.

During a period which also saw the cessation of formal funding for county music services, Armonico Consort 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. 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).)

The Big Mouth Appeal looks set to achieve its target of £500,000 over the three years finishing in February 2013. This has enabled the education department to move forward with confidence and to double the initial number of beneficiaries we originally set out to achieve in 2010.

The number of smaller donations for fixed single day workshops has decreased, but this has been markedly offset by the number of larger donations for £10,000 +. This has enabled the charity to widen its strategic vision with confidence, and plan further ahead. It has also given great weight when developing partnerships as what we are able to offer in return becomes increasingly significant. We continue to find it difficult raising 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 2013.

As mentioned earlier in the report, support from Arts Council England has increased, and we also received significant support from Youth Music to help us move forward towards our Royal Albert Hall Partnership. We plan to use the first Royal Albert Hall concert in March 2013 as a launch pad for our major new appeal.

During 2011-2012 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 brought in two regular part-time volunteers, and two part-time specialist administrative support workers to ensure we deliver our projects as effectively and to the highest possible quality. 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 2012

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 2012-13 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 £52,740 (2011 £11,451).

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 1 February 2013 and signed on its behalf by



C R Monks -Chair

ARMONICO CONSORT LIMITED

REPORT OF THE INDEPENDENT EXAMINER

For the year ended 31 July 2012

**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 2012 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 144 of the Charities Act 2011 (the Charities Act) and that an Independent Examination is needed.

It is my responsibility to

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the Charities 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 130 of the Charities Act, and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities 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



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

Date: 1 February 2013

ARMONICO CONSORT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) **For the year ended 31 July 2012**

Incoming Resources	Note	Unrestricted Funds £	Restricted Funds £	year ended 31 July 2012 £	16 months ended 31 July 2011 £
Incoming resources from generated funds					
Voluntary income					
Grants - charitable foundations		48,550	116,349	164,899	192,527
Donations		52,479	-	52,479	65,454
Incoming resources from charitable activities					
Concert and workshop income		153,857	87,811	241,668	327,885
Subscriptions		4,599	-	4,599	5,900
Merchandising income		8,609	-	8,609	8,802
Total Incoming Resources		268,094	204,160	472,254	600,568
Resources expended	2				
Costs of generating funds					
Fundraising and donations		47,453	-	47,453	50,748
Charitable activities					
Concert and workshop		163,708	201,254	364,962	520,409
Governance costs		7,099	-	7,099	17,960
Total Resources Expended		218,260	201,254	419,514	589,117
Net Income Resources/(Resources Expended)		49,834	2,906	52,740	11,451
Fund balances brought forward at 1 August 2011		(226,495)	17,969	(208,526)	(219,977)
Fund balances carried forward at 31 July 2012		(176,661)	20,875	(155,786)	(208,526)

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 2012

Company Number: 4851028

	Note	31 July 2012		31 July 2011	
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	5		2		2
Current Assets					
Stock	6	3,437		5,788	
Debtors	7	21,243		32,663	
Cash at bank and in hand		27,380		18,085	
		<u>52,060</u>		<u>56,536</u>	
Current Liabilities					
Creditors amounts falling due within one year	8	<u>154,972</u>		<u>202,496</u>	
Net Current Liabilities			<u>(102,912)</u>		<u>(145,960)</u>
Total Assets less Current Liabilities			(102,910)		(145,958)
Creditors amounts falling due after more than one year	10		(52,876)		(62,568)
Net Liabilities			<u>(155,786)</u>		<u>(208,526)</u>
Funds					
Unrestricted Funds			(176,661)		(226,495)
Restricted Funds			20,875		17,969
Total Funds	12		<u>(155,786)</u>		<u>(208,526)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 July 2012


The board have not required the company to obtain an audit of its financial statements for the period ended 31 July 2012 in accordance with Section 476 of the Companies Act 2006

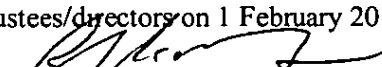
The members acknowledge their responsibilities for

- 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 1 February 2013 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 2012

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 2012

(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>12 months 31 July 2012 Total</u>	<u>16 months 31 July 2011 Total</u>
	£	£	£	£	£
Charitable Expenditure					
Concert and workshop	-	263,818	-	263,818	405,016
Support costs	56,411	59,851	-	116,262	130,628
Grants and fundraising	29,858	4,444	-	34,302	39,495
Governance costs	-	5,132	-	5,132	13,978
Total for charity	86,269	333,245	-	419,514	589,117

Resources Expended

Governance costs include
Independent Examiner's Fee
Accountancy and other services
Legal and other professional fees

	3,000	3,000
	2,132	2,816
	-	8,162
	<u>5,132</u>	<u>13,978</u>

3 Staff costs

Staff costs were as follows

	<u>2012 £</u>	<u>2011 £</u>
Salaries and wages	79,780	68,274
Social security costs	6,489	5,757
Total	<u>86,269</u>	<u>74,031</u>

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

	<u>2012 No</u>	<u>2011 No</u>
Administration and support	3	3
Fundraising	1	1
	<u>4</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 2012

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 2011

Additions

At 31 July 2012

Furniture & Equipment

£

4,337

-

4,337

Depreciation

At 31 July 2011

Charge for the year

At 31 July 2012

4,335

-

4,335

Net book value

At 31 July 2012

2

At 31 July 2011

2

6. Stock

Compact Discs for resale

Work in progress

2012

£

3,437

-

3,437

2011

£

2,304

3,484

5,788

7. Debtors: amounts falling due within one year

Trade debtors

Prepayments and accrued income

2012

£

21,243

-

21,243

2011

£

6,500

26,163

32,663

8. Creditors: amounts falling due within one year

Trade creditors

Bank overdraft

Bank loan

Unsecured loans

Social security and other taxes

Accruals & deferred income

2012

£

60,337

20,000

11,472

17,441

14,428

31,294

154,972

2011

£

113,709

20,784

11,429

34,027

9,363

13,184

202,496

9. Operating lease commitments

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

Expiring -

Within one year land and buildings

2012

£

6,450

2011

£

6,450

ARMONICO CONSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 July 2012

10. Creditors: amounts falling due after more than one year	2012	2011
	£	£
Bank loan repayable within five years	13,043	24,103
Unsecured loans repayable within five years	39,833	38,465
	<u>52,876</u>	<u>62,568</u>

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

11. Secured Debts	2012	2011
	£	£
The following secured debts are included within creditors		
Bank loan and overdraft	<u>44,515</u>	<u>56,316</u>

12. Movements in funds	At			At
	1 August	Income	Expenditure	31 July
	2011	£	£	2012
	£			£
Unrestricted Fund:				
General Reserve	(226,495)	268,094	218,260	(176,661)
Restricted Funds:				
Grants Receivable	17,969	204,160	201,254	20,875
Total Funds	<u>(208,526)</u>	<u>472,254</u>	<u>419,514</u>	<u>(155,786)</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 £26,910. At 31 July 2012 Cherry Street Productions Limited was owed £13,895, which is included in Trade Creditors under usual trading terms, and £5,441 by way of a loan. The loan is repayable 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.