

Charity no: 1103159
Company no: 4851028

ARMONICO CONSORT LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2009

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ARMONICO CONSORT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2009

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ARMONICO CONSORT LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 March 2009

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

A Goldthorpe also served as a Trustee up until 25 September 2008.

Secretary:

J Adam - resigned 31 August 2009
P Rivers – appointed 1 October 2009

Registered Office:

Pageant House, 2 Jury Street, Warwick CV34 4EW

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 2009

The Board presents its report and the audited financial statements for the year ended 31 March 2009. 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 1985 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 expand its activities and range of its operations during the year:

Two opera programmes were produced and toured across the UK – a Double-Bill of Purcell's Dido and Aeneas and Lully's Le Bourgeois Gentilhomme, and Rossini's Barber of Seville. These introduced a number of new directors and cast members to Armonico, and further developed Armonico's name as producers of high-quality opera performances. In addition, the production of Mozart's Magic Flute was toured to Dublin for performances at the prestigious venue, the Helix.

Throughout the year, the concerts received critical acclaim, and repeat bookings have continued to be received from important festivals, such as Canterbury, Chichester, Harrogate, Brighton and the Three Choirs Festival. Armonico continues to work with established artists such as Emma Kirkby and James Bowman, whilst also developing the careers of young professional singers such as Elin Manahan Thomas and Anna Sandstrom.

With the appointment of a full-time Director of Education, Armonico's mission to provide free, first-class, music education to as many children as possible has developed significantly. The charity has significantly expanded its team of fully-trained workshop leaders and is now in a position to provide 150 days of education activity per year. This means that over 10,000 children a year benefit from our work, which is of increasing importance as county music services are experiencing serious funding cuts. AC Academy in Warwick has continued to thrive, and two new AC Academies, in Stratford upon Avon and Coventry will be established in 2010. AC Academy has been asked to be the representative of Coventry and Warwickshire at the 2012 Cultural Olympiad.

Through its relationship with Arts Council England, Armonico was asked to produce the 'Find Your Talent' pilot scheme in Telford, and this has led to a number of further opportunities, including a partnership with the Royal Albert Hall, culminating in a concert in November 2012.

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)

For the year ended 31 March 2009

The fundraising activities of the charity have also developed significantly, with the Fundraising Director now leading a small team of volunteers. We have also forged important relationships with a number of influential people who have agreed to become Armonico Artistic Ambassadors. They have opened many significant doors for us, both in terms of funding and performance opportunities. One example of this is the significant upturn in concert sponsorship over the last season.

During 2009, 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.

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. The net resources expended for the year were £139,598 (2008 net resources expended £147,426)

The expanded programme of activities has led to higher overall costs. During the year, the Development Director established a strategy for additional fund-raising, and this has led to substantial additional income after the end of the year. Overall, the Charity sustained a loss of £139,598 in the year. This has largely been funded by long-term low or zero interest loans and bank borrowing.

The loss was caused by a variety of factors, including the difficult economic situation. This has been addressed by the review and restructuring of the management and administration team, by increasing fund raising activities and through much closer control over costs and expenditure. The change in Trustees has also meant additional experience and skills in management and understanding of the business. In addition, many of the educational activities initiated during the year attract retrospective funding which has resulted in a significantly improved financial situation in the following year.

Future Strategy

The Board plans to continue with and expand on the Charity's activities in line with its development plan. However, in recognition that it is important to concentrate on core-activities and the principal loss-making activity, Warwick Music Live, has been suspended. We have also significantly reduced our cost-base, including restructuring debt into low or zero interest long-term loans, which means that cash-flow for the foreseeable future is manageable. 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. This strategy is already bearing fruit and results for the following year are looking very positive. The work being done by the Artistic Ambassadors is also very significant, both in attracting funding, and also in providing well-placed contacts.

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)

For the year ended 31 March 2009

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.

Responsibilities of the Board of Trustees and Directors

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Board should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The Board is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Board is 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.

Statement as to Disclosure of Information to Auditors

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's Auditors are unaware, and each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's Auditors are 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 2009

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 26 January 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 Limited for the year ended 31 March 2009 which comprise 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 requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any other than the company and the company's 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) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 of Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

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 Practices 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 charity'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, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2009 and of its incoming resources and resources expended, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Flint & Thompson

**Flint & Thompson
Registered Auditors**

27 January 2010

**1325A Stratford Road
Hall Green
Birmingham B28 9HL**

ARMONICO CONSORT LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2009**

Incoming Resources	Note	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
Incoming resources from generated funds:					
Voluntary income					
Grants – charitable foundations		-	123,526	123,526	53,409
Donations		6,226	-	6,226	13,028
Investment income					
Bank interest		-	-	-	3
Incoming resources from charitable activities:					
Concert receipts		309,031	78,166	387,197	342,545
Subscriptions		7,465	-	7,465	3,452
Merchandising income		5,874	-	5,874	2,752
Total Incoming Resources		328,596	201,692	530,288	415,189
Resources expended	2				
Costs of generating funds:					
Fundraising and donations		46,802	-	46,802	23,470
Grants and training projects		-	93,559	93,559	34,693
Charitable activities		443,023	78,166	521,189	500,978
Governance costs		8,336	-	8,336	3,474
Total Resources Expended		498,161	171,725	669,886	562,615
Net Income Resources/(Resources Expended)		(169,565)	29,967	(139,598)	(147,426)
Transfer between funds		28,044	(28,044)	-	-
Net movement in funds		(141,521)	1,923	(139,598)	(147,426)
Fund balances brought forward at 1 April 2008		(161,351)	25,556	(135,795)	11,631
Fund balances carried forward at 31 March 2009		(302,872)	27,479	(275,393)	(135,795)

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 2009

	Note	2009	2008
		£	£
Fixed Assets			
Tangible Fixed Assets	5	1,562	2,065
Current Assets			
Stock		4,644	662
Debtors	6	21,563	10,778
Cash at bank and in hand		<u>48,051</u>	<u>1,084</u>
		74,258	12,524
Current Liabilities			
Creditors: amounts falling due within one year	7	<u>249,408</u>	<u>100,384</u>
Net Current (Liabilities)		<u>(175,150)</u>	<u>(87,860)</u>
		(173,588)	(85,795)
Creditors: amounts falling due after more than one year	9	(101,805)	(50,000)
Net (Liabilities)		<u>(275,393)</u>	<u>(135,795)</u>
Funds			
Unrestricted Funds		(302,872)	(161,351)
Restricted Funds		27,479	25,556
Total Funds	10	<u>(275,393)</u>	<u>(135,795)</u>

These financial statements are prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small companies.

These Financial Statements on pages 8 to 13 were approved by the Board of Trustees on 26 January 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 2009

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 1985.

(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.

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 such as CD's.

(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 2009

(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) **Pensions**

The company operated 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.

2 Analysis of Total Resources Expended

	<u>Staff Costs</u> £	<u>Other Direct Costs</u> £	<u>Depreciation</u> £	<u>2009 Total</u> £	<u>2008 Total</u> £
Charitable Expenditure					
Support costs	26,755	493,350	1,084	521,189	500,978
Grants and fundraising	46,155	94,206	-	140,361	58,163
Governance costs	-	8,336	-	8,336	3,474
Total for charity	72,910	595,892	1,084	669,886	562,615

Resources Expended

Governance costs include:

Audit fee	3,250	3,150
Accountancy and other services	5,086	324
	<u>8,336</u>	<u>3,474</u>

3 Staff costs

	<u>2009</u> £	<u>2008</u> £
Staff costs were as follows:		
Salaries and wages	66,044	37,105
Social security costs	5,699	2,857
Pension contributions	1,167	-
Total	<u>72,910</u>	<u>39,962</u>

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

	<u>2009</u> No	<u>2008</u> No
Administration and support	3	3
Fundraising	1	1
	<u>4</u>	<u>4</u>

No member of staff was paid £60,000 or more during the year.

ARMONICO CONSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2009

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 2008

Additions

At 31 March 2009

Depreciation

At 31 March 2008

Charge for the year

At 31 March 2009

Net book value

At 31 March 2009

At 31 March 2008

**Furniture &
Equipment**

£

3,756

581

4,337

1,691

1,084

2,775

1,562

2,065

6. Debtors: amounts falling due within one year

2009

2008

£

£

Trade debtors

17,904

10,709

Prepayments and accrued income

3,659

69

21,563

10,778

7. Creditors: amounts falling due within one year

2009

2008

£

£

Trade creditors

73,988

47,481

Bank overdraft

74,954

34,999

Loans

35,624

-

Social security and other taxes

8,287

4,396

Accruals

56,555

13,508

249,408

100,384

8. Operating lease commitments

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

2009

2008

£

£

Expiring:-

Within 2 to 5 years

6,450

-

ARMONICO CONSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2009

9. Creditors: amounts falling due after more than one year	2009	2008
	£	£
Loans repayable within five years	<u>101,805</u>	<u>50,000</u>

The loans are either interest free or bear interest at a maximum of 3% over bank base rates calculated on a monthly basis. Included in the above is £38,500 due to Trustees who have resigned during the year or are still Trustees at the end of the year. These loans are interest free.

10. Movements in funds

	At 1 April 2008 £	Income £	Expenditure £	Transfers £	At 31 March 2009 £
Unrestricted Fund:					
General Reserve	(161,351)	328,596	(498,161)	28,044	(302,872)
Restricted Funds:					
Grants Receivable	25,556	201,692	(171,725)	(28,044)	27,479
Total Funds	<u>(135,795)</u>	<u>530,288</u>	<u>(669,886)</u>	<u>-</u>	<u>(275,393)</u>

The General Reserve represents the free funds of the charity which are not designated for particular purposes.

The Grants Receivable relate to projects started within the period but at the year end the full costs of the project were not realised. These projects have since been fully completed.

11. Ultimate controlling party

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

12. 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 will continue from the charity's bankers and other lenders.