

Charity no: 1103159
Company no: 4851028

ARMONICO CONSORT LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2008

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ARMONICO CONSORT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2008

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ARMONICO CONSORT LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 March 2008

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:

D I Rhodes (Chair)
C R Monks – appointed 14 November 2007
C Ball – appointed 14 November 2007
R G Courtney – appointed 14 November 2007
N Wynn Evans – appointed 8 December 2008

A Goldthorpe also served as a Trustee from 25 January 2008 to 25 September 2008.

Secretary:

J Adam

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

Chief Executive Officer

J Adam

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS

For the year ended 31 March 2008

The Board presents its report and the audited financial statements for the year ended 31 March 2008. 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

The Charity expanded its activities and range of its operations during the year:

- Additional opera productions have been mounted, following the great success of earlier years, with three productions including a new version of The Marriage of Figaro and an exciting double bill of Purcell and Lully operas;
- The education outreach programme has been greatly expanded in terms of
 - The numbers of children involved – now over 10,000 nationally;
 - The geographic coverage achieved, moving far from the Charity's home base in Warwickshire to cover Manchester, Cumbria, the West Country, East Anglia and the South Coast.
 - The range of activities covered which has been extended to include circus and puppetry as well as music & drama.

A Director of Education was appointed towards the end of the year, initially on a part-time basis, to assist the development of the educational programme. This took on a new dimension with preparations for the launch of, the first Armonico Consort Academy, which opened in Warwick in April 2008. The first academies to be opened will provide singing experience and tuition to children from Warwick and Stratford. It is intended that this should extend eventually to also include instrumental tuition.

Reflecting the growth of the Charity's activities, a General Manager, Fund Raising and Development Director and a full time qualified accountant were also appointed during the year. As a consequence, staff costs have risen considerably, but in line with forecasts. Indirect and overhead staff, administration and office costs were, however, only about 25% of income.

The Board of Trustees has been strengthened with new appointments and the new management team have been aided by a substantial expansion in the use of volunteers with a range of skills and experience.

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)

For the year ended 31 March 2008

Financial Review

The Statement of Financial Activities for the year is set out on page 7 of the financial statements. The net resources expended for the year were £147,426 (2007 net resources expended £17,507)

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 £147,426 in the year but this has been addressed by the introduction of new systems of accounting, management information and control, by increasing fund raising activities and by close control of expenditure. 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 plan to continue with and expand on the Charity's activities in line with its development plan. Growth in demand for educational workshops and musical projects is leading to a significant increase in financial turnover and commitments and to increased pressure on staff and financial resources. The Board proposes to raise longer term capital to supplement traditional revenue fund raising in order to create a stable long term financial basis for the continued development of the Charity's activities. A number of long term low and zero interest loans have already been raised to commence addressing this situation.

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.

ARMONICO CONSORT LIMITED

REPORT OF THE BOARD OF TRUSTEES AND DIRECTORS (CONTINUED)

For the year ended 31 March 2008

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.

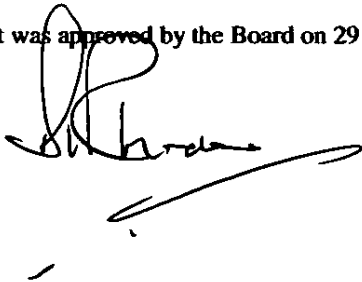
Auditors

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 29 January 2009 and signed on its behalf by:

D I Rhodes
Director

A handwritten signature in black ink, appearing to be 'D I Rhodes', is written over a horizontal line. The signature is stylized and cursive.

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 2008 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 2008 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**

30 January 2009

**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 2008**

Incoming Resources	Note	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
Incoming resources from generated funds:					
Voluntary income					
Grants – charitable foundations		-	53,409	53,409	49,019
Donations		13,028	-	13,028	10,814
Investment income					
Bank interest		3	-	3	158
Incoming resources from charitable activities:					
Concert receipts		283,510	59,035	342,545	316,116
Subscriptions		3,452	-	3,452	1,898
Merchandising income		2,752	-	2,752	5,668
Total Incoming Resources		302,745	112,444	415,189	383,673
Resources expended	2				
Costs of generating funds:					
Fundraising and donations		23,470	-	23,470	7,348
Grants and training projects		-	34,693	34,693	51,454
Charitable activities		441,943	59,035	500,978	339,058
Governance costs		3,474	-	3,474	3,320
Total Resources Expended		468,887	93,728	562,615	401,180
Net Income Resources/(Resources Expended)		(166,142)	18,716	(147,426)	(17,507)
Transfer between funds		13,818	(13,818)	-	-
Net movement in funds		(152,324)	4,898	(147,426)	(17,507)
Fund balances brought forward at 1 April 2007		(9,027)	20,658	11,631	29,138
Fund balances carried forward at 31 March 2008		(161,351)	25,556	(135,795)	11,631

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.

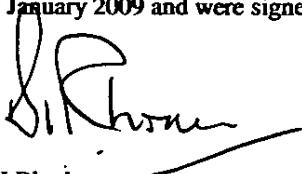
ARMONICO CONSORT LIMITED

BALANCE SHEET AT 31 MARCH 2008

	Note	2008	2007
		£	£
Fixed Assets			
Tangible Fixed Assets	5	2,065	2,261
Current Assets			
Stock		662	1,714
Debtors	6	10,778	7,618
Cash at bank and in hand		<u>1,084</u>	<u>38,940</u>
		12,524	48,272
Current Liabilities			
Creditors: amounts falling due within one year	7	<u>100,384</u>	<u>28,902</u>
		(87,860)	19,370
Net Current (Liabilities)/Assets		(85,795)	21,631
Creditors: amounts falling due after more than one year	8	(50,000)	(10,000)
Net (Liabilities)/Assets		<u>(135,795)</u>	<u>11,631</u>
Funds			
Unrestricted Funds		(161,351)	(9,027)
Restricted Funds		25,556	20,658
Total Funds	9	<u>(135,795)</u>	<u>11,631</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 7 to 12 were approved by the Board of Trustees on 29 January 2009 and were signed on its behalf by:



D I Rhodes
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 March 2008

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 2008

(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.

2 Analysis of Total Resources Expended

	<u>Staff Costs</u> £	<u>Other Direct Costs</u> £	<u>Depreciation</u> £	<u>2008 Total</u> £	<u>2007 Total</u> £
Charitable Expenditure					
Support costs	21,441	478,599	938	500,978	339,058
Grants and fundraising	18,521	39,642	-	58,163	58,802
Governance costs	-	3,474	-	3,474	3,320
Total for charity	39,962	521,715	938	562,615	401,180

Resources Expended

Governance costs include:

Audit fee	3,150	3,290
Accountancy and other services	324	30
	<u>3,474</u>	<u>3,320</u>

3 Staff costs

Staff costs were as follows:

	<u>2008</u> £	<u>2007</u> £
Salaries and wages	37,105	14,996
Social security costs	2,857	731
Total	<u>39,962</u>	<u>15,727</u>

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

	<u>2008</u> No	<u>2007</u> No
Administration and support	3	2
Fundraising	1	-
	<u>4</u>	<u>2</u>

Number of employees falling within emolument range:

£0 to £10,000	3	2
£10,000 to £20,000	1	-
	<u>4</u>	<u>2</u>

ARMONICO CONSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2008

4 Trustees' remuneration

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

5. Tangible Fixed Assets

**Furniture &
Equipment
£**

Cost

At 31 March 2007

3,014

Additions

742

At 31 March 2008

3,756

Depreciation

At 31 March 2007

753

Charge for the year

938

At 31 March 2008

1,691

Net book value

At 31 March 2008

2,065

At 31 March 2007

2,261

6. Debtors:

2008

2007

£

£

Due within one year:

Trade Debtors

10,709

6,494

Prepayments and accrued income

69

1,124

10,778

7,618

7. Creditors: amounts falling due within one year

2008

2007

£

£

Trade creditors

47,481

19,740

Bank overdraft

34,999

-

Social security and other taxes

4,396

303

Accruals

13,508

8,859

100,384

28,902

ARMONICO CONSORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2008

8. Creditors: amounts falling due after more than one year	2008	2007
	£	£
Loans repayable within five years	<u>50,000</u>	<u>10,000</u>

The loans are interest free.

9. Movements in funds

	At 1 April 2007 £	Income £	Expenditure £	Transfers £	At 31 March 2008 £
Unrestricted Fund:					
General Reserve	(9,027)	302,745	(468,887)	13,818	(161,351)
Restricted Funds:					
Grants Receivable	20,658	112,444	(93,728)	(13,818)	25,556
Total Funds	<u>11,631</u>	<u>415,189</u>	<u>(562,615)</u>	<u>-</u>	<u>(135,795)</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.

10. Ultimate controlling party

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

11. 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.