

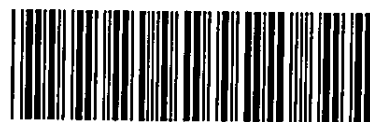
THE MUSIC TRUST
(A Company limited by Guarantee)

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

Company No. 3299021

Registered Charity No. 1071501

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THE MUSIC TRUST

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

For The Year Ended 31 August 2011

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THE MUSIC TRUST

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

For The Year Ended 31 August 2011

COMPANY INFORMATION

Directors	L W Olive – Artistic and Musical Director R J Polley - Chairman J N Scott-Malden - Vice-Chairman P E Haynes - Finance Director V G Easterbrook - Secretary H A Schagen D Mitchell E P Marston (appointed 20th October 2010) C R S Fowler (appointed 10th March 2011)
Secretary	V G Easterbrook
Independent Examiner	Mrs C Braidwood, Braidwood & Company, Chartered Accountants Willow Grange, The Street, Betchworth, Surrey, RH3 7DJ
Bankers	CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ HSBC Bank plc, 18 High Street, Reigate, Surrey, RH2 9BB
Registered Office	Surrey House, 36-44 High Street, Redhill, Surrey, RH1 1RH
Registered Number	3299021
Charity Number	1701501

THE MUSIC TRUST
DIRECTORS' REPORT
For The Year Ended 31 August 2011

Structure, Governance & Management

The Company is a company limited by guarantee and does not have a share capital. The directors do not have any financial interest therein, other than as members of the company. The company is also a registered charity.

The directors of this charitable company are its trustees for the purposes of company and charity law and are referred to as the directors. The directors are responsible for the management of the company and are elected by and out of the members at the Annual General Meeting. One director is appointed by The English Arts Chorale Members and Friends Association, whose objects are the advancement of the education of the public in the art of music by the promotion, support and assistance of The Music Trust Limited.

The company is governed by its Memorandum and Articles of Association. Every member undertakes to contribute to the assets of the company in the event of its being wound up whilst he/she is a member, or within one year of ceasing to be a member, for the payment of debts and liabilities contracted before ceasing to be a member, such amount as may be required, not exceeding £100.

The directors are required under Company Law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company, and of its income and expenditure for that year. In preparing the financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make reasonable and prudent judgements and estimates, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for

- keeping proper accounting records,
- safeguarding the company's assets, and
- taking reasonable steps for the prevention and detection of fraud.

The directors have reviewed the risks that the company might face and are satisfied that appropriate and effective procedures are in place to minimise any potential impact should any of those risks materialise. The directors regularly review the position and the Board has recently completed a review of its operational structures and governance procedures to ensure it is effectively addressing all the challenges facing a charity in present economic circumstances.

No specific training is provided when directors are appointed as their suitability and experience is assessed prior to such appointment.

The directors have appointed Mrs C Braidwood of Braidwood & Company as Independent Examiner as a formal audit is not required.

THE MUSIC TRUST
DIRECTORS' REPORT
For The Year Ended 31 August 2011
(continued)

Objectives, activities and public benefit

The company's principal activity continues to be the education of the public in the art and appreciation of music. This is achieved through the activities of The English Arts Chorale, a voluntary choir whose auditions are open to all, and the Reigate Summer Music Festival, a programme of concerts and activities provided for the community of Reigate and its hinterland. The directors believe these objectives clearly demonstrate public benefit.

In shaping the activities each year, the directors have complied with the duty in section 4 of the Companies Act 2006 to have due regard to public benefit guidance published by the Charity Commission. In setting the level of fees charged for concerts, the directors give careful consideration to accessibility for those on low incomes.

The Company's principal sources of income are the sale to the public of tickets for its concerts together with commercial sponsorship of its events. Substantial support for the costs of English Arts Chorale concerts is provided by the English Arts Chorale Members & Friends Association, a related charity with its own elected committee. In addition, the English Arts Chorale also benefits from modest but helpful grants provided by Reigate & Banstead Borough Council through the Borough of Reigate & Banstead Arts Council.

The English Arts Chorale is a voluntary body, an integral part of The Music Trust, with membership open to anyone able to sing, entry being via a simple audition. The activities of The English Arts Chorale are structured to provide choral training to its members and for the members to demonstrate the skills learned through a series of public concerts. Great importance is placed on encouraging people of all ages to join, provided they are able to pass an audition, but the Chorale is always looking for singers with youthful, blendable voices. The aim of the Chorale is to *share with everyone the profound human and spiritual experience of great music*.

Concert venues, however, have to be paid for and other costs incurred, such as for soloists and orchestras, so that ticket prices have to reflect those costs. Nevertheless, prices are kept as low as possible to maximise the number of members of the public that can afford to attend.

It was not possible to hold the usual annual Reigate Summer Music Festival this year in the light of the economic situation and the lack of the necessary sponsorship.

Achievements and performance

The English Arts Chorale is a busy ambitious choir with an exciting annual programme. At certain events, non-members of the Chorale are invited to participate in both rehearsals and performance, so as to widen the experience, learning and enjoyment which comes from understanding and singing great choral works.

2010/11 was the Chorale's 30th Anniversary Year and in October the Chorale presented a programme entitled *Cambridge Requiems* in St Martin's Church, Dorking, repeating this the following month in St John's College, Cambridge. This programme comprised John Rutter's *Requiem* and Philip Ledger's *Requiem*. Philip Ledger was present at the Cambridge concert and was extremely complimentary about the Chorale's performance of his work.

THE MUSIC TRUST
DIRECTORS' REPORT
For The Year Ended 31 August 2011
(continued)

Achievements and performance (continued)

Also in October, the English Arts Chorale was honoured to be asked, by the Chairman of the St John Council for Surrey, to provide a choir for a Service of Rededication held in Guildford Cathedral. This service took the form of a visit to Surrey by "The Priory Chapter of the Priory of England and the Islands of the Order of St John", and was the first such visit to Surrey since 1961. As well as leading the hymns, the choir sang a setting, written for the occasion by Leslie Olive, of Psalm 121, Morten Lauridsen's "O Nata Lux", and John Rutter's "Look to the day". This was a prestigious occasion and the choir's contribution was extremely well received.

In December the usual performances of Handel's *Messiah* in St Mary's Church, Reigate and the Christmas Candlelight Concert at St Mary's Church, Betchingley had been planned but both events had to be cancelled at short notice due to the adverse weather conditions. However, Handel's *Messiah* was presented subsequently in April 2011 in St Mary's Church, Reigate with an orchestral accompaniment.

In May 2011, the Chorale made a successful return to Chichester Cathedral with a performance of Lauridsen's *Lux Aeterna* and *O Magnum Mysterium*, together with Duruflé's *Four Motets* and *Requiem*. The soprano was Jay Britton with Ian Le Grice at the organ.

The final concert of the Chorale's 30th Anniversary Year was held in June in the Queen Elizabeth Hall on the South Bank in London, performed to a full house. The concert opened with Parry's *I Was Glad* conducted by the Chorale's President, Brian Kay, and this was followed by an exciting performance of Tchaikovsky's *Piano Concerto No 1* by Tom Poster. The concert culminated in a performance by the Chorale of Verdi's *Requiem*, sung from memory, with soloists Sir Willard White, Susan Gritton, John Hudson and Jennifer Johnston. An exhilarating evening!

Financial Review and Reserves Policy

The financial statements for the year ended 31 August 2011 are set out on pages 9 to 13. These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

It was again not possible to run a Reigate Summer Music Festival in 2011 so no funds have been able to be raised in recent years to support the charitable activities of The English Arts Chorale. However, these activities were run effectively although the combination of adverse winter weather leading to the cancellation of two events and the planned deficit on the 30th Anniversary concert at the Queen Elizabeth Hall led to an overall deficit of £7,866 (2010: £3,059). Governance costs amounted to £1,246 (2010: £1,258) before deducting sundry income of £297 (2010: £353).


The net deficit for 2011 was, therefore, £8,815 (2010: £3,964) which, when deducted from the reserves brought forward, gives £13,186 to carry forward to 2012. The Directors are satisfied that the Reserves are adequate to run the activities of The English Arts Chorale in 2012 and justify the planning of another exciting season. However, additional sources of sponsorship and other income are being actively pursued so as to achieve a surplus each year for the continuing development of the Trust's charitable activities.

THE MUSIC TRUST
DIRECTORS' REPORT
For The Year Ended 31 August 2011
(continued)

Future Plans

It is hoped to hold a programme of indoor and outdoor concerts for a Reigate Summer Music Festival in 2012 but plans are yet to be finalised. An interesting programme for The English Arts Chorale has been planned for the 2011/12 season and outline programmes for subsequent years are under preparation to give their activities a longer time span

Approved by the Board on 5 January 2012 and signed on its behalf by the chairman, Richard Polley


Richard Polley

THE MUSIC TRUST

Independent examiner's report to the directors of The Music Trust

I report on the accounts of the company for the year ended 31st August 2011, which are set out on pages 9 to 13

Respective responsibilities of directors and examiner

The directors (who are also the charity's trustees) are responsible for the preparation of the accounts. The directors consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. It is my responsibility to

- examine the accounts under section 43 of the 1993 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- state whether particular matters have come to my attention

Basis of independent examiner's report

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 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 principles 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.


Mrs C Braidwood

Braidwood & Company
Chartered Accountants

Willow Grange
The Street
Betchworth
Surrey
RH3 7DJ

Date 13 March 2012

THE MUSIC TRUST
STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 August 2011

	Note	2011 £	2010 £
Incoming resources			
Incoming resources from generated funds			
Investment income		<u>22</u>	<u>28</u>
		<u>22</u>	<u>28</u>
Incoming resources from charitable activities	5	36,356	27,388
Other incoming resources		<u>275</u>	<u>325</u>
Total Incoming Resources		<u>36,653</u>	<u>27,741</u>
Resources Expended			
Charitable activities	6	44,222	30,447
Governance costs	4	<u>1,246</u>	<u>1,258</u>
Total Resources Expended		<u>45,468</u>	<u>31,705</u>
Net (Outgoing) Resources for the year		(8,815)	(3,964)
Balance brought forward		<u>22,001</u>	<u>25,965</u>
Balance carried forward		<u>13,186</u>	<u>22,001</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

THE MUSIC TRUST

BALANCE SHEET

As At 31 August 2011

	Note	2011 £	2010 £
Current assets			
Bank balances		20,676	26,583
Debtors	2	<u>384</u>	<u>872</u>
		<u>21,060</u>	<u>27,455</u>
Creditors: amounts falling due within one year			
Creditors	3	1,910	5,033
Accrued expenses	3	<u>960</u>	<u>420</u>
		<u>2,870</u>	<u>5,453</u>
Net current assets	11	<u>18,189</u>	<u>22,002</u>
Total assets less current liabilities		<u>18,189</u>	<u>22,002</u>
Capital and reserves			
Unrestricted funds		13,186	22,001
Designated funds	10	<u>5,003</u>	<u>1</u>
Total funds		<u>18,189</u>	<u>22,002</u>

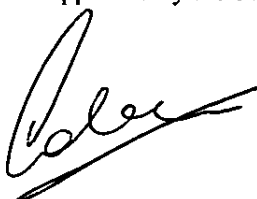
The directors considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 August 2011 and of its loss for the year then ended in accordance with the requirements of section 396 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on 5 January 2012 and were signed on its behalf by

Richard Polley

Director



THE MUSIC TRUST
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 August 2011

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities, issued in March 2005. They have also been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Fund accounting

Unrestricted funds are available for use in furtherance of the charity's general objectives, at the discretion of the directors.

During the previous year a Designated Fund – *The Foundation Fund* – was set up to create a capital sum, the income from which will be applied to enable the English Arts Chorale to perform an annual celebratory concert with the support of a professional orchestra and soloists. The intention and expectation is that the capital of the Fund will only be applied in *exceptional* circumstances, *only* to the extent of any capital growth in value, *and* if it can be done without significant detriment to the income producing capability of the Fund.

During the year a donation of £5,000 was received by the Foundation Fund under Gift Aid and the benefit of Gift Aid will be added to the Fund when received from HMRC. Interest of £2 was credited to the account.

1.3 Incoming resources

Income is accounted for by reference to the activity to which it relates, in each financial year. Investment income is included when received.

1.4 Resources expended

Expenditure is recognised on an accruals basis as liabilities are incurred.

Costs of generating funds comprise the costs associated with the relevant income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include independent examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

THE MUSIC TRUST
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 August 2011 (continued)

	2011	2010
	£	£
2 Debtors		
Other debtors	-	857
Prepayments	384	15
	384	872
3 Creditors : amounts falling due within one year		
Director's current account	10	10
Creditors	1,900	5,023
Accruals	960	420
	2,870	5,453
4 Governance costs		
Independent examination fee	420	420
Subscriptions and donations	268	424
Other expenses	558	414
	1,246	1,258
5 Incoming resources from Generated Funds : English Arts Chorale		
Event income	23,566	15,537
Sponsorship, grants and donations	10,790	11,851
Insurance receipt re cancelled events	2,000	
	36,356	27,388
6 Cost of Charitable activities:		
English Arts Chorale		
Event expenses	44,222	30,447

THE MUSIC TRUST
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 August 2011 (continued)

7 Payments to Directors

Mr L W Olive, a director of the company, received £3,850 (2010 £2,350) as a conductor during the course of the year, together with £700 (2010 £2,100) out of pocket expenses. Concertmakers Limited, a company controlled by Mr Olive, was paid £1,667 (2010 £nil) for his services as artistic and musical director.

All directors are reimbursed expenses incurred on company matters.

8 Control

Throughout the year the company was under the control of the directors.

9 Taxation

As a charity, The Music Trust is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

A claim for Gift Aid relief on donations and subscription income for the past three years has been submitted to HMRC but no provision for this has been made until approved by them and received by The Music Trust.

10 Designated Fund

The movements for the year in the Designated Fund were as follows	£
Balance at 1 September 2010	1
Incoming resources	
Donations received	5,000
Interest received	2
Balance at 31 August 2011	5,003

The loan from The Music Trust was repaid during the year.

11 Analysis of net assets between funds

Fund balances at 31 August 2011 are represented by

	General Fund	Designated Fund	Total Funds
Net Current Assets	13,186	5,003	18,189