

THE MUSIC TRUST
(A Company limited by Guarantee)

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

Company No. 3299021
Registered Charity No. 1071501



THE MUSIC TRUST

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

For The Year Ended 31 August 2013

INDEX

	PAGE
Company Information	3
Report of the Directors	4 - 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 - 12

THE MUSIC TRUST

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

For The Year Ended 31 August 2013

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
Secretary	V G Easterbrook
Independent Examiner	Mrs C Braidwood, FCA 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 2013

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 and receive no benefit from holding office. 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. No specific training is provided when directors are appointed as their suitability and experience is assessed prior to such appointment.

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 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.

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

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, delivering a programme of concerts and activities both for the community of Reigate but also in other venues in the south-east of England. The directors believe these objectives clearly demonstrate public benefit. In many previous years, the company also held an annual Reigate Summer Music Festival but the present economic outlook and the need for substantial sponsorship has led the directors to conclude, reluctantly, that there is no present likelihood of this Festival being held in the near future.

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 MUSIC TRUST
DIRECTORS' REPORT
For The Year Ended 31 August 2013
(continued)

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.

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 come from understanding and singing great choral works.

The season started with a Singing Day devoted to Karl Jenkins' *The Armed Man* which attracted much interest and this work then featured in the concert held in Redhill's Harlequin Theatre as part of that theatre's Arts Week in October.

The Chorale then celebrated '*Magnificat*' in St Mary's Church Reigate at the beginning of December singing several settings of the *Magnificat* from Gregorian Chant to the present day including that by John Rutter. Fiona Campbell was the soprano soloist for this performance, which was conducted by Leslie Olive and accompanied by Ian le Grice on the organ. The calendar year ended with the usual Christmas Candlelight Concert in St Mary's Church, Betchingley, in aid of the Friends of Betchingley Church, at which the audience enjoyed mulled wine and mince pies during the interval.

Brahms' *Ein deutsches Requiem*, sung in German, was the focus of another Singing Day in February, and this work also featured in subsequent concerts. In April, the Chorale returned to St John's College, Cambridge with performances of Pergolesi's *Stabat Mater* and Vivaldi's *Gloria*. This was followed by a visit to Holy Trinity Church, Long Melford, Suffolk in June when the programme comprised Brahms' *Ein deutsches Requiem* and Faure's *Requiem*. The Chorale was accompanied by Greg Drott on piano and Michael Waldron on piano and organ.

Also in June, the Chorale celebrated with another concert in the prestigious Queen Elizabeth Hall on London's South Bank singing Brahms' *Ein deutsches Requiem* with Helen-Jane Howells, soprano, and Michael Bundy, baritone, as soloists and Leslie Olive conducting the Camerata of London. This concert also featured the renowned pianist, Tom Poster, performing Rachmaninov's *Piano Concerto No. 2*.

The final event of the 2012/13 season was another Sunday afternoon Summer Concert held in St Mary's Church, Reigate. This followed the same pattern as last year's successful concert designed to improve access for older members of the audience who may prefer not to go out late at night. The programme comprised choral classics and instrumental music, played by members and friends of the Chorale, and was followed by Pimm's and strawberries.

THE MUSIC TRUST
DIRECTORS' REPORT
For The Year Ended 31 August 2013
(continued)

Financial Review and Reserves Policy

The financial statements for the year ended 31 August 2013 are set out on pages 9 to 12. 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).

The charitable activities were run as effectively as possible but incurred a deficit of £4,120. Governance costs amounted to £552 (2012: £902) before deducting sundry income of £289 (2012: £316).

The final deficit for 2013 was £4,383 (2012: surplus £96) which when deducted from the reserves brought forward gives £8,899 to carry forward. The Directors are satisfied that the Reserves are adequate to run the activities of The English Arts Chorale in 2013/14 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.

Directors' Responsibility for the Accounts

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 which disclose with reasonable accuracy the financial position of the company at any time and to enable them to ensure that the accounts comply with the Companies Act 2006,
- safeguarding the company's assets and ensuring their proper application in accordance with Charity Law, and
- taking reasonable steps for the prevention and detection of fraud.

Future Plans

An interesting programme for The English Arts Chorale has been planned for the 2013/14 season and outline programmes for subsequent years are being prepared to give the potential audiences a longer term view of the choir's activities. Discussions are also well advanced to bring together all the activities of The English Arts Chorale into a new Charitable Incorporated Organisation through an effective merger with the English Arts Chorale Members & Friends Association.

Approved by the Board on 11 February 2014 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 2013, which are set out on pages 8 to 12

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 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. It is my responsibility to

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act, and
- state whether particular matters have come to my attention

Basis of independent examiner's 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

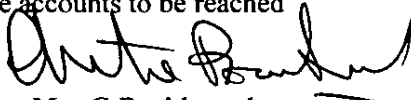
In connection with my examination, no matter has come to my attention

(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: 12 February 2014

THE MUSIC TRUST
STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 August 2013

	Note	2013 £	2012 £
Incoming resources			
Incoming resources from generated funds			
Investment income		<u>14</u> <u>14</u>	<u>16</u> <u>16</u>
Incoming resources from charitable activities	5	31,412	18,904
Other incoming resources		<u>275</u>	<u>300</u>
Total Incoming Resources		<u>31,701</u>	<u>19,220</u>
Resources Expended			
Charitable activities	6	35,532	18,222
Governance costs	4	<u>552</u>	<u>902</u>
Total Resources Expended		<u>36,084</u>	<u>19,124</u>
Net (Outgoing)/Incoming Resources for the year		(4,383)	96
Balance brought forward		<u>13,282</u>	<u>13,186</u>
Balance carried forward		<u>8,899</u>	<u>13,282</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 2013

	Note	2013 £	2012 £
Current assets			
Bank balances		15,800	20,606
Debtors	2	<u>-</u>	<u>168</u>
		<u>15,800</u>	<u>20,774</u>
Creditors: amounts falling due within one year			
Creditors	3	210	810
Accrued expenses	3	<u>420</u>	<u>420</u>
		<u>630</u>	<u>1,230</u>
Net current assets	11	<u>15,170</u>	<u>19,554</u>
Total assets less current liabilities		<u>15,170</u>	<u>19,554</u>
Capital and reserves			
Unrestricted funds		8,899	13,282
Designated funds	10	<u>6,271</u>	<u>6,262</u>
Total funds		<u>15,170</u>	<u>19,554</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 2013 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 11.06.2014 and were signed on its behalf by

Richard Polley

Director



THE MUSIC TRUST
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 August 2013

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 a previous year a Designated Fund – *The Foundation Fund* – was set up to create a capital sum, the income from which is to 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 interest of £9 was received by the Foundation Fund and was credited to the Fund bank 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 2013 (continued)

	2013	2012
	£	£
2 Debtors		
Prepayments	-	168
	-	168
3 Creditors : amounts falling due within one year		
Director's current account	10	10
Creditors	200	800
Accruals	420	420
	630	1,230
4 Governance costs		
Independent examination fee	420	420
Subscriptions and donations	130	224
Other expenses	2	258
	552	902
5 Incoming resources from Generated Funds: English Arts Chorale		
Event income	20,638	9,443
Sponsorship, grants and donations, inc gift aid	10,774	9,461
	31,412	18,904
6 Cost of Charitable activities: English Arts Chorale		
Event expenses	35,532	18,222

THE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 August 2013 (continued)

7 Payments to Directors

Mr L W Olive, a director of the company, received £3,550 (2012 £2,800) as a conductor during the course of the year, together with £2,680 as Artistic 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 year was submitted to HMRC and this was received in an amount of £587.

10 Designated Fund

The movements for the year in the Designated Fund were as follows	£
Balance at 1 September 2012	6,262
Incoming resources	
Interest received	9
Balance at 31 August 2013	6,271

This is represented by a Bank Account with CAF Bank.

11 Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by

	General Fund	Designated Fund	Total Funds
Net Current Assets	8,899	6,271	15,170