

**NATIONAL ASSOCIATION OF
YOUTH ORCHESTRAS
(COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD
23 FEBRUARY 2009 (DATE OF INCORPORATION)
TO 31 JULY 2010**

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NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS
PERIOD ENDED 31 JULY 2010

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NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS
PERIOD ENDED 31 JULY 2010

LEGAL AND ADMINISTRATIVE INFORMATION

Directors

Directors:	Professor George Caird	Chairman
	Dr Frances Williams	Vice-Chairman
	Philip Shaw OBE FRSA	Treasurer
	Justin Baron	
	Anthony Bradbury	
	Keith Horsfall	
	Russell Keable	(appointed 1 July 2009)
	Martin Kemp	
	Christopher Mahy	
	Jonathan Stephens	(appointed 1 July 2009)
	George Steven	
	Stephen Williams	
	Edward Woodhead	

Company Secretary Keith Horsfall FRSA

Management Team

Acting Chief Executive	David Marcou (employment ceased 31 December 2009)
Acting Director of Development	Mary Moore MA FCIPD (employment ceased 31 December 2009)

Principal Address and
Registered Office 16 Union Road
 Cambridge
 CB22 1HE

Bankers:	Clydesdale Bank	Bank of Scotland
	50 Lothian Road	3 Earl Grey Street
	Edinburgh	Edinburgh
	EH3 9BT	EH3 9BN

Independent Examiner: Michael Crerar, CA
 Geoghegans
 6 St Colme Street
 Edinburgh
 EH3 6AD

Charity registration number 1129610

Company registration number: 06827700

NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS PERIOD ENDED 31 JULY 2010

DIRECTORS' REPORT

The Directors present their report and financial statements for the period 23 February 2009 (date of incorporation) to 31 July 2010

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity was previously established under a Constitution which established the objects and powers of the charity. The Charity is now a Company Limited by Guarantee. A new company has been registered with Companies House, No 06827700 and this has been approved by Charity Commission with the net liabilities and activities of the former body transferred as at 1 July 2009. The Charity is now governed by a Memorandum and Articles of Association.

Recruitment and Appointment of Directors

The number of Directors shall be not fewer than 3 but shall not be subject to a maximum. The Directors are appointed by an ordinary resolution put to the members at a General Meeting of the Company.

Director Inductions and Training

Directors are experienced individuals in the field of music and music education and most are also members of boards and management committees of similar organisations. Several have senior professional management roles in major public services, academic and commercial organisations. Full induction (including written information) is offered to all new Directors. Ongoing training is organised and delivered to deal with the strategic development of the organisation and to address any outstanding identified needs.

Risk Management

The Directors have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board actively reviews the major risks which the charity faces on a regular basis. This has been particularly so during this reporting period when uncertainties about future levels of funding has led to the winding up of the charity.

The Board has also examined other operational and business risks faced by the charity and confirms that systems have been established to mitigate the significant risks.

Organisational Structure

The Board is responsible for the affairs of the Company with the interim management team having dealt with the day-to-day operation of the organisation up to 31 December 2009 and thereafter on a pro-bono basis until 31 March 2010 when membership services ceased.

OBJECTIVES AND AIMS

The principal objective and aim of the Company as defined in its Memorandum and Articles of Association is to advance public education in and appreciation of the art and science of music in all its aspects by the maintenance, support, nurture and development of youth orchestras and other youth music ensembles, and by such methods as the Company shall determine.

NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS
PERIOD ENDED 31 JULY 2010

DIRECTORS' REPORT (Continued)

ACHIEVEMENTS AND PERFORMANCE

Projects

The only project undertaken during this period was the annual European Youth Music Week which is an annual course jointly organised by NAYO and our German partners International Arbeitskreis für Musik Alternating between Germany and the UK the 2009 course was held in the Landesmusikakademie in Schlitz which is about 2 hours from Frankfurt It was a highly successful course with 75 young people from 14 different nations attending

It was agreed that the 2010 course would be held in Stourbridge, England under the ongoing direction of Keith Horsfall and under the auspices of a new umbrella organisation set up for this purpose

The way forward

For several years the Association has been financially underpinned by an annual grant from Youth Music It was becoming apparent that this was not guaranteed into the future so the directors had already moved from having a permanent staff base to one of engaging staff on a consultancy basis This proved a prudent move as, in spite of the best efforts, continuance of this grant was not forthcoming

An assessment of the financial future was then made by the directors who concluded that, in spite of a final award from Youth Music to cover transition expenses, the Association could not continue in its current form and remain solvent

The board of directors therefore decided to pursue a controlled policy of winding up the association whilst at the same time ensuring that its key elements were protected into the future These are summarised below

- Responsibility for the EYMW course was to be passed to a new organisation, YoungOrchestras.com, to ensure that the 2010 course could proceed
- The membership services and in particular the advocacy role of NAYO was passed to the Association of British Orchestras (ABO) who plan to form a youth orchestra section within their organisation
- The John Manduell award would be transferred to YoungOrchestras.com to offer financial support for British participants on the annual EYMW course in the form of bursaries. This was undertaken with the approval of Sir John Manduell
- Services to members would continue until March 31st 2010 when the terms of their annual subscription would cease
- The association's website would gradually be wound down and cease at the end of its current contract 30th June 2010 and a 'holding page' put in place for two years from that date
- The Marion Semple Weir Chamber Music Library would be donated to Benslow Trust to add to their library collection There would be a suitable acknowledgement stamped on each of the pieces of music This was all undertaken with the approval of James Semple on behalf of the Marion Semple Weir Trustees Benslow Trust confirmed that EYMW could continue to use the resource for the payment of a one-off minimal fee, and access to the rest of the Benslow Trust Library would also be guaranteed

At the AGM held on 22nd May 2010 it was agreed by the membership to wind up the association and officers of the Company Limited by Guarantee were charged with overseeing a managed process to achieve this.

In summarising the role of NAYO over the several preceding decades it was felt that the Association had made significant achievements. At the time of inception it was the only national organisation which could offer advice and support to the burgeoning instrumental teaching movement and the associated youth orchestras It also provided a prominent advocacy role In the intervening years the movement had not only grown immensely but also several

other bodies have gradually taken over the roles previously held by NAYO. This included the Federation of Music Services, Youth Music, Music Education Council, Music for Youth to name just a few. As such NAYO should be rightly proud of its achievements and could now hand over the continued support and development of instrumental music to these bodies

OTHER ORGANISATIONS

The Association is a member of the following organisations

European Association of Youth Orchestras
Music Education Council
Incorporated Society of Musicians
Voluntary Arts Network
Association of British Orchestras
Heads of Instrumental Teaching Scotland
Arts & Business

and has long established links in place with the following

B A S B W E
E S T A
Making Music
International Arbeitskreis für Musik
Music for Youth
Music Publishers Association
Federation of Music Services

FINANCIAL OVERVIEW

Directors

The Board of Directors, who are trustees for the purpose of charity law, who served during the period and up to date of this report, are set out on page 1

Statement of Directors' Responsibilities

The directors (who are also Trustees for the purpose of Charity Law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company Law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS

PERIOD ENDED 31 JULY 2010

DIRECTORS' REPORT (Continued)

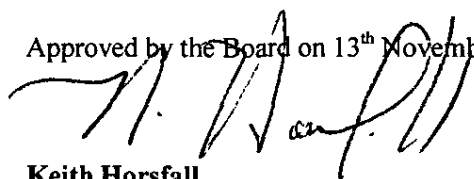
The directors are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to the Independent Examiner

- So far as the trustees are aware, there is no relevant information of which the independent examiner is unaware, and
- We have taken all the steps we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the independent examiner are aware of that information.

This report has been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice (revised 2005) and 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).

Approved by the Board on 13th November 2010 and signed on its behalf by



Keith Horsfall
Honorary Company Secretary and Director

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF THE NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS

I report on the accounts of the company for the period ended 31 July 2010 which are set out on pages 7 to 14

Respective responsibilities of trustees and examiner

The directors (who are also the Trustees of the charitable company for the purposes of Charity Law) 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.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to

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

Basis of independent examiner's statement

My examination was carried out in accordance with 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 give 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 Charitieshave 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

Michael Crerar CA
Independent Examiner

9th November 2010

Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh EH3 6AD

NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS

STATEMENT OF FINANCIAL ACTIVITIES PERIOD ENDED 31 JULY 2010

	Notes	Unrestricted Funds	Restricted Funds	Total 2010
Incoming Resources				
Incoming resources from generated funds				
Voluntary income - donations and grants	2	20,000	28,719	48,719
Investment income				
– bank interest		6	-	6
Incoming resources from charitable activities				
Other income	3	66,078	-	66,078
Transfer of net assets on incorporation	15	-	1,972	1,972
Total incoming resources		86,084	30,691	116,775
Resources Expended				
Charitable activities	4	73,499	30,691	104,190
Governance costs	7	3,065	-	3,065
Transfer of net liabilities on incorporation	15	9,520	-	9,520
Total resources expended		86,084	30,691	116,775
Net movement in funds		-	-	-
Total funds		£ -	£ -	£ -

NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS

BALANCE SHEET AS AT 31 JULY 2010

	Notes	2010
Tangible Fixed Assets	10	-
Current Assets		
Debtors	11	45
Cash at bank and in hand		2,734
		<u>2,779</u>
Creditors Amounts falling due within one year	12	<u>(2,779)</u>
Net Current Assets		-
Net Assets		<u>£ -</u>
The funds of the charity		
Unrestricted	13	-
Restricted	14	-
		<u>-</u>
Total funds		<u>£ -</u>

For the period ended 31 July 2010, the company was entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006

No notice has been deposited with the company under section 476 of the Companies Act 2006 requiring an audit to be carried out

The Directors acknowledge their responsibility for

- ensuring the company keeps accounting records in accordance with section 386 and 387 of the Companies Act 2006, and
- preparing statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its income/expenditure for that financial year in accordance with the requirements of section 394 and 395 of the Companies Act 2006

These accounts are 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)

Approved and authorised for issue by the Directors on 13th November 2010 and signed on its behalf by,

Director


Philip Shaw
Director

NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS

NOTES TO THE FINANCIAL STATEMENTS (Continued) PERIOD ENDED 31 JULY 2010

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention. The financial statements, have been prepared in accordance with the Companies Act 2006, the Charities Act 1993, Financial Reporting Standard for Smaller Entities (effective April 2008), and follow the recommendations in the Statement of Recommended Practice SORP – Accounting and Reporting by Charities issued in March 2005.

Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability. Income and direct costs arising in the year relating to future events are deferred until those events have taken place.

Resources Expended

All expenditure is included within the accounts on an accruals basis and is recognised when there is a legal or constructive obligation to pay. The charity is not registered for VAT and accordingly all expenditure is shown gross of irrecoverable VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, eg staff time or estimated usage.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

Fund Accounting

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charity. Where designated, these are unrestricted funds set aside by the directors for specific future purposes or projects. Restricted funds are funds subject to specific restrictive conditions imposed by the donors.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset evenly over its estimated useful lives as follows:

Fixtures and equipment	5 years straight line
Musical Instruments	10 years straight line

Minor fixed asset additions costing less than £200 are written off in the year of acquisition.

Transactions in foreign currency

Transactions in foreign currency are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the balance sheet date and the gains and losses on translation are included in the Statement of Financial Activities.

NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS

NOTES TO THE FINANCIAL STATEMENTS (Continued) **PERIOD ENDED 31 JULY 2010**

2 Voluntary income – grants and donations

	2010 (13 months)
<i>Unrestricted funds</i>	
General funds – National Foundation for Youth Music	20,000
<i>Restricted funds</i>	
Festival of Britain Youth Orchestras – Edinburgh and Glasgow	<u>28,719</u>
Total grants and donations	<u>£ 48,719</u>

3 Incoming resources from charitable activities

	Unrestricted Funds	Restricted Funds	Total 2010 (13 months)
Ticket and programme sales	20,510	-	20,510
Participation and event fees	22,340	-	22,340
Subscriptions	17,856	-	17,856
Other income	2,372	-	2,372
Sale of musical instruments	<u>3,000</u>	<u>-</u>	<u>3,000</u>
	<u>£ 66,078</u>	<u>£ -</u>	<u>£ 66,078</u>

4 Charitable activities

	Unrestricted Funds	Restricted Funds	Total 2010 (13 months)
Direct event costs	39,234	19,566	58,800
Project and development costs	14,885	3,074	17,959
Support costs (note 6)	<u>19,380</u>	<u>8,051</u>	<u>27,431</u>
	<u>£ 73,499</u>	<u>£ 30,691</u>	<u>£ 104,190</u>

NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS

NOTES TO THE FINANCIAL STATEMENTS (Continued) **PERIOD ENDED 31 JULY 2010**

5 Charitable activities – restricted funds

	Direct Event Costs	Project & Development Costs	Support Costs	Total
Festival of British Youth Orchestras	18,206	2,574	7,939	28,719
Allianz Cornhill Conducting Prize	950	-	-	950
Marion Semple Weir Fund	410	500	112	1,022
	<u>£ 19,566</u>	<u>£ 3,074</u>	<u>£ 8,051</u>	<u>£ 30,691</u>

6 Support Costs

	2010 (13 months)
Salaries	4,679
Management fees and expenses	13,187
Office rent	1,160
Insurance	1,130
Computer and internet	699
Equipment depreciation	896
Postages and telephone	2,492
Printing and stationery	749
Hire of rooms	197
Bank charges	42
Miscellaneous	2,200
	<u>£ 27,431</u>

Amounts allocated to restricted charitable activities on the basis of staff time and estimated usage

Festival of British Youth Orchestras	7,939
Marion Semple Weir Fund	112
	<u>£ 8,051</u>

7 Governance costs

	2010 (13 months)
Independent Examiner's remuneration	1,703
Directors' expenses	1,362
	<u>£ 3,065</u>

NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS

NOTES TO THE FINANCIAL STATEMENTS (Continued) PERIOD ENDED 31 JULY 2010

8 Staff costs and numbers

	2010
Salaries	4,604
Social security costs	75
	<hr/>
	4,679
Management fees	29,938
	<hr/>
	£
	<hr/> 34,617

No employee received emoluments of more than £60,000

The average number of employees, calculated on the basis of full time equivalents was approximately 1

9 Directors' expenses

4 directors were reimbursed expenses totalling £1,362 incurred in the performance of their duties as directors and in connection with the organisation of the activities of the Association. No other directors, or any person connected with them, has received, or is due to receive, any other remuneration for the period either directly or indirectly from the funds of the Charity.

10 Tangible fixed assets

	Fixtures & Equipment	Musical Instruments	Total
Cost			
Transfer of net assets (note 15)	7,494	9,000	16,494
Additions	-	-	-
Disposals	-	(9,000)	(9,000)
	<hr/>	<hr/>	<hr/>
At 31 July 2010	7,494	-	7,494
Aggregate Depreciation			
Transfer of accumulated depreciation (note 15)	6,598	9,000	15,598
Charge for the period	896	-	896
Disposals	-	(9,000)	(9,000)
	<hr/>	<hr/>	<hr/>
At 31 July 2010	7,494	-	7,494
Net Book Value			
At 31 July 2010	£ -	£ -	£ -

NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS

NOTES TO THE FINANCIAL STATEMENTS (Continued)
PERIOD ENDED 31 JULY 2010

11 Debtors

	2010
Other debtors	45
	<u>£ 45</u>

12 Creditors: Amounts falling due within one year

	2010
Accruals	326
Other creditors	2,453
	<u>£ 2,779</u>

13 Unrestricted funds

	Transfer In (note 15)	Incoming Resources	Resources Expended	Transfers	31 July 2010
General	(9,520)	78,344	(64,946)	(3,878)	-
European Youth Music Week – designated	<u>-</u>	<u>7,740</u>	<u>(11,618)</u>	<u>3,878</u>	<u>-</u>
	<u>£ (9,520)</u>	<u>£ 86,084</u>	<u>£ (76,564)</u>	<u>£ -</u>	<u>£ -</u>

NATIONAL ASSOCIATION OF YOUTH ORCHESTRAS

NOTES TO THE FINANCIAL STATEMENTS (Continued) PERIOD ENDED 31 JULY 2010

14 Restricted funds

	Transfer In (note 15)	Incoming Resources	Resources Outgoings	31 July 2010
Festival of British Youth Orchestras	-	28,719	(28,719)	-
Sir John Manduell Award	950	-	(950)	-
Marion Semple Weir Fund	1,022	-	(1,022)	-
	<u>£ 1,972</u>	<u>£ 28,719</u>	<u>£ (30,691)</u>	<u>£ -</u>

Festival of British Youth Orchestras

Annual summer event held in Edinburgh and Glasgow

Sir John Manduell Award

An award made by Sir John Manduell to support the initiatives in chamber music undertaken under the auspices of NAYO and with the authority of NAYO's Executive Committee

Marion Semple-Weir Fund

The Marion Semple-Weir Fund represents donations made over a number of years by the Marion Semple-Weir Trust. The donations in this fund are given for the establishment and enhancement of a music library for the Association.

15 Transfer of assets

The net liabilities and funds of the unincorporated Association were transferred to the Company Limited by Guarantee with effect from 1 July 2009. The net liabilities transferred were allocated as follows.

Tangible Fixed Assets	896
Current Assets	
Debtors	26,021
Cash in bank	48,981
Current Liabilities	
Creditors and Accruals	<u>(83,446)</u>
	<u>£ (7,548)</u>
Unrestricted funds	(9,520)
Restricted funds	<u>1,972</u>
	<u>£ (7,548)</u>