

THE MOZARTISTS

REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2020

Charity Registration Number 1063387
Company Limited by Guarantee Number 3361716

THE MOZARTISTS

REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2020

CONTENTS

	Page
Legal and administrative information	1
Report of the Trustees	2-9
Report of the Independent Examiner	11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Financial Statements	15-24

THE MOZARTISTS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	George Koukis (Chairman) David Challen CBE Raphael Vermeir CBE Jeffrey Eldredge (resigned 23 April 2020) Leslie MacLeod-Miller (resigned 20 April 2020) Lady Judy Vereker (resigned 22 April 2020)
President	Sir Vernon Ellis
Artistic Director	Ian Page
Chief Executive	Deborah Coates
Company Secretary	Megan Chidlow (appointed 14 January 2020) Maria Clark (resigned 14 January 2020)
Name of Charity	The Mozartists. The charity changed its name from Classical Opera on 2 October 2020.
Registered/Principal Office	Boundary House Boston Road London W7 2QE
Company Number	3361716
Charity Registration Number	1063387
Independent Examiner	Phillip Roberts Roberts & Co. Chartered Accountants 136 Kensington Church Street London W8 4BH
Bankers	HSBC Bank PLC 21 Kings Mall King Street Hammersmith London W6 0QF

THE MOZARTISTS

REPORT OF THE TRUSTEES

The directors of the charitable company ("the charity") are its Trustees for the purpose of charity law and throughout this report are collectively referred to as its Trustees. The Trustees present their report together with the financial statements for the year ended 31 August 2020. The financial statements comply with the Charities Act 2011, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Mozartists is a registered charity constituted as a company limited by guarantee, established in 1997 and governed by its Memorandum and Articles of Association. The charity has no share capital and in the event of liquidation or being wound up the liability of its Trustees is limited to £1.

The Mozartists. The charity changed its name from Classical Opera on 2 October 2020.

The Trustees meet regularly throughout the year with the Chief Executive, the Artistic Director and the members of the Senior Management Team. The Board of Trustees are committed to refreshing the Board when appropriate with new trustees who have the skills and networks needed to help the charity achieve its goals. The charity keeps a written policy outlining the requirement of trustees. The Board undertook a structural review with a view to making way for new trustees to help bolster and maintain the company's funds in the wake of the Covid 19 pandemic. In light of this, three long serving Trustees offered their resignation in April 2020.

The day to day management of the charity is delegated to the Chief Executive, who is supported by a competent and experienced team which includes the Development and Communications Manager; Finance and Resources Manager, and during the first part of 2019/20 Head of Artistic Administration and Promotion.

The remuneration of the Chief Executive is approved by the Trustees. All Trustees give their time freely and no Trustee received remuneration during the year.

The charity owns a dormant subsidiary company limited by guarantee 'Classical Opera', which was acquired on 7 February 2017. The subsidiary was previously named 'The Mozartists' until 2 October 2020, when the names of the parent and subsidiary were effectively swapped. This subsidiary is dormant and is expected to remain so.

Details of any transactions with related parties during the reporting period are included in the notes to the financial statements.

OBJECTIVES AND ACTIVITIES

The Mozartists's principal objective is to advance the education of the public in the art of music with particular reference to opera and historically-informed performance.

The charity specialises in the music of Mozart and his contemporaries, and presents both operas and concert programmes in most of London's leading concert venues – including Wigmore Hall, Southbank Centre and Cadogan Hall – as well as touring whenever possible.

THE MOZARTISTS

REPORT OF THE TRUSTEES (continued)

OBJECTIVES AND ACTIVITIES (continued)

In 2015 the charity launched MOZART 250, an epic 27-year chronological project exploring Mozart's life, work and influences in sequence 250 years on, starting with Mozart's childhood visit to London and projected to end with his final *Requiem* in 2041. In addition, the charity regularly produces studio recordings of Mozart operas (as part of its projected Complete Mozart Opera Recording Cycle) and recital programmes – featuring soloists and the charity's period-instrument orchestra – many of which have been nominated for prestigious awards.

The charity is acclaimed for its work in identifying and nurturing talented young artists – it has worked closely with many of the country's finest opera singers since the beginning of their careers, and plays an important role in developing young talent through its Associate Artist Scheme and projects for young artists. The charity also delivers a valuable, expanding outreach programme to school children.

PUBLIC BENEFIT

The Trustees have referred to the Charity Commissioner's general guidance on public benefit when reviewing their objectives and planning future activities, always with the aim of providing the utmost benefit to the public. In particular, the Trustees consider how such activities will contribute to the following key objectives:

- To provide inspirational, historically-informed performances and recordings of the works of Mozart and his contemporaries;
- To nurture and develop exceptional young talent, particularly through our Associate Artists scheme and Young Artists Projects;
- To advance the musical education of the general public through world-class performances, enlightening programming and accompanying publications and talks, and by delivering enriching outreach work to school children

Examples of steps taken include:

- 8 public performances in London, Birmingham and Italy;
- 1 new studio recording and three live performance recording releases to make our work available for national and international audiences;
- Our Associate Artist scheme, which provides outstanding early-career singers with mentoring and coaching from our Artistic Director Ian Page, valuable training, performance and recording opportunities, and a bursary to help with professional costs, this year creating opportunities for Associate Artists to appear in seven concerts and our studio recording.
- UK premières of works by J. C. Bach, Celionati, Galippi, Gasparini, Guglielmi, Piccinni, Mysliveček and Jommelli;
- Pre-concert talks given by a range of specialists and experts;

THE MOZARTISTS

REPORT OF THE TRUSTEES (continued)

PUBLIC BENEFIT (continued)

- Several radio appearances and broadcasts including a live concert broadcast on BBC Radio 3
- The first in-depth musical exploration of Mozart's visit to Italy in 1770 through a weekend festival of concerts, lecture recitals and talks.
- An immersive outreach project in West London, where we worked with 120 primary school pupils in partnership with Ealing Music Service, although this was curtailed this year as a result of the pandemic;
- Heavily subsidised tickets to many of our performances for school children and accompanying parents and for under-36s;

OVERVIEW OF THE 2019/20 SEASON – ACHIEVEMENTS AND PERFORMANCE

2019/20 was an exceptional year as a result of the Covid-19 pandemic, and this also had a major impact on our activities.

The season got off to a positive start with a series of well-received performances, generating valuable performance opportunities for a group of our Associate Artists and others. The first was a programme of Mozart at Wigmore Hall in September featuring soprano Regula Mühlemann, and in November we presented concert performances of *Così fan tutte* at Cadogan Hall (London), Town Hall (Birmingham) and Teatro Comunale (Syracuse - Italy), with a cast featuring Ana Maria Labin, Emily Edmonds (Associate Artist), Rebecca Bottone (Associate Artist 2006), Matthew Swensen, Benjamin Appl and Richard Burkhard. Due to illness, Samantha Clarke (Associate Artist) and Martha Jones stepped in to cover the roles of Dorabella and Fiordiligi in the later performances.

Our MOZART 250 series – a ground-breaking 27-year project exploring Mozart's life, works and influences, devised by our Artistic Director Ian Page – continued in January with '1770 – A Retrospective' at Wigmore Hall. This concert featured a programme of J.C. Bach, Gluck, Haydn, Jommelli, Mozart, Vanhal and included two UK modern-day premieres with Associate Artists Ida Ränzlöv and Samantha Clarke as the soloists.

In March, just before lockdown and also part of MOZART 250, we presented the first ever major musical survey of Mozart's visit to Italy 250 years earlier, with a weekend festival of performances, talks and lecture recitals. The concerts covered works by Celionati, Galippi, Gasparini, Guglielmi, Jommelli, Mozart, Mysliveček and Piccinni, and the talks explored Mozart's first string quartet and Italian sacred music at the time of his visit. The singers were Associate Artists Samantha Clarke and Kiandra Howarth, and former Associate Artist Stuart Jackson, joined by Rachel Kelly and Sarah Aristodou. Speakers included Cliff Eisen, James Jolly and Ian Page. Professor Sergio Durante was unable to fly because of Covid-19 restrictions that were already in place in Italy.

Owing to the restrictions that the government had to put in place as a result of the pandemic, we had no option but to cancel the rest of our plans for the season. Cancelled performances included our first concert with fortepianist Ronald Brautigam scheduled in April at Southbank Centre, performances later in the season at La Seine Musicale in Paris and Wigmore Hall, as well as our fundraising gala, and all other performances to raise funds for the charity.

THE MOZARTISTS

REPORT OF THE TRUSTEES (continued)

OVERVIEW OF THE 2019/20 SEASON – ACHIEVEMENTS AND PERFORMANCE (continued)

Recordings

In January 2020, we created the second in our acclaimed series of 'Sturm und Drang' recordings, with a programme featuring works by J. C. Bach, Gluck, Haydn, Myslivecek and Vanhal, with soloist Ida Ränzlöv (Associate Artist), and this was subsequently selected as Gramophone Editor's Choice.

In October 2019 we re-released Mozart's *Apollo et Hyacinthus* on Signum Classics and in May 2020 we released 'Sturm und Drang, Volume 1' on the same label.

We had planned to record Mozart's *La Betulia Liberata* in August 2020, but the recording was postponed as a result of the pandemic.

During the period of social-distancing restrictions, we collaborated with digital platform Exit Live to make available a series of recordings from our previous concerts for paid download. We agreed with our artists that we would divide all our proceeds equally between those who took place in the concerts. The downloads made available within the period of this financial year were Ann Hallenberg (Wigmore Hall, 2016), *Don Giovanni* (Cadogan Hall, 2016) and a programme of Mozart Concert Arias with our Associate Artists (St John's, Smith Square, 2014)

Talks

Accompanying our performances, we offered pre-performance talks and lecture recitals by a number of experts, including Ian Page, Robert Cannon and Cliff Eisen.

Outreach

In 2020 we started our annual MOZART 250 Education Project for 120 school children (Key Stage 2) in Ealing in partnership with Ealing Music Service. We were able to deliver the first three days of workshops, but were forced to cancel the remaining sessions, the trip to the V&A, and the final showcase. It was agreed with the funding partners that the unused funds could be carried forward to later projects once it was possible to deliver them. With their consent, we also offered advance fees to the practitioners who were affected by the cancellation.

Funding to help Artists

Our artists are all self-employed, and most of them lost all their work as a result of the pandemic. We therefore launched a 'Pay it Forward' fundraising appeal so that we could offer advance fees to our artists. This was launched towards the end of the financial year, and spanned into 2020/21.

THE MOZARTISTS

REPORT OF THE TRUSTEES (continued)

PLANS FOR 2020/21

The actual unfolding of 2020/21 has been quite different from the plans that were in place at the end of 2019/20. Plans had included performances of *Mitridate, re di Ponto* and 'Mozart's Keys' (with Ronald Brautigam) at Southbank Centre, concerts at Wigmore Hall in October and January, a concert at Cadogan Hall in May, and two further recordings in the 'Sturm und Drang' series, all of which were postponed (and in some cases rescheduled and postponed again), along with two BBC Radio 3 broadcasts which could not happen.

It is still hoped that it will be possible to present one concert at Cadogan Hall in July 2021, due to be broadcast on BBC Radio 3. We also hope to reschedule a recording project once it is possible to revert to a standard orchestral seating plan. In order to work around the pandemic, planning has had to evolve to include a filming project of Mozart's early chamber music, a filmed (paid) workshop to generate opportunities for young singers, and a series of outreach films for schools in collaboration with Ealing Music Service.

Our Paris debut has been rescheduled to June 2022, and other cancelled performances will be moved to later dates. We also looked at digital ways to connect in these times of social isolation, and planned a series of Zoom sessions ('Meet the Mozartists' and a series of *Mitridate* lectures).

FINANCIAL REVIEW

During the 2019/20 season the charity reported a deficit of £86,511 (2019: £64,667 surplus) and had total reserves at 31 August 2020 of £310,929 (2019: £397,440). This comprised free available reserves of £185,127 (2019: £186,058), designated funds of £54,842 (2019: £175,000) and restricted funds of £70,960 (2019: £36,382).

Total income for the year was £674,476 compared to £870,620 in the previous year, the decrease being due to a reduction in pledged income which was due to be provided by regular donors, due to the economic impact of the pandemic.

Expenditure in the year was £760,987 (2019: £805,953). The charity had to cancel some planned performances and recordings, as well as educational projects which were due to fall in the last five months of the year. These cuts reduced overall expenditure from budgeted amounts for the year. Expenditure was further reduced through the cancellation of the planned fundraising gala, and overhead expenditure was also cut where possible. The charity made use of the furlough scheme to pay for some staff costs where work was no longer possible.

The cash balance of £167,233 (2019: £310,725) shows a decrease of £143,492 in the reporting period, reflecting the overall deficit and the reduction of income caused by the Covid-19 pandemic.

THE MOZARTISTS

REPORT OF THE TRUSTEES (continued)

RESERVES POLICY

The Trustees intend to apply all funds that they raise to the principal aims and activities of the charity. Reserves are calculated by the Trustees at a level sufficient to mitigate the risks facing the charity. During the year the charity has reviewed and amended its reserves policy. The Trustees judge that the charity should aim to hold sufficient funds to cover overhead costs for 3-4 months, along with the budgeted costs for imminent live performance and recording costs.

The income of the charity comes from a variety of sources; however it is not certain and more than 50% needs to be raised from voluntary sources each year to cover planned activity. In many cases, the charity has to plan activity before the necessary funding is secured. In contrast, some event costs, including venue hires, require commitment well in advance of the event and are non-refundable. Holding reserves sufficient to meet costs of imminent performances will give better flexibility to cover any temporary shortfall in incoming resources, and allow the charity to cope and respond in case of unforeseen adverse circumstances, buying the charity sufficient time to implement specific remedial plans.

At 31 August 2020 the minimum level of free reserves required under the reserves policy was calculated at £180,000. The charity held £185,127 of general reserves at the year-end date, slightly ahead of the amount needed under the reserves policy, however this amount is deemed acceptable to the Trustees given the economic risks currently faced. The charity additionally held £70,960 (2019: £36,382) of restricted funds, which are to be used in relation to specific planned performance and educational projects.

The Trustees have amended designated funds to those shown below. The reduction in designated funds reflects the increased general funds reserve level, which is judged necessary to protect for the longer-term stability of the charity. Designated funds at 31 August 2020 were £54,842 (2019: £175,000) and comprised:

- £4,842 representing the net book value of fixed assets. The amount has been separated from the charity's general unrestricted funds (free reserves) in recognition of the fact that the assets are essential to the day-to-day operation of the charity and should therefore not be considered realisable to meet commitments.
- £30,000 towards future MOZART 250 performances – as Mozart grew older he became more prolific and wrote for larger orchestral forces so it stands to reason that some funding will need to be set aside now to enable the charity to fulfil this project. While this amount is only sufficient for one project, it does allow the charity breathing room for raising funds for future performances.
- £20,000 to enable touring of the charity's work outside London, which will help to reach new audiences, raise profile, and therefore increase the ability of the charity to raise further funds. The implications of Brexit will make touring outside the UK more expensive, at least for the foreseeable future.

The Trustees invest any surplus funds in highly liquid bank deposit accounts to maximise the income but with no risk to capital. Liquid funds required vary from month to month dependent upon the performance schedule.

RISK POLICY

The Trustees have identified the following principal risks facing the charity:

- Covid-19 has caused widespread cancellations, as well as denting the finances of some arts philanthropists
- there is a possibility that future performances may be cancelled as a result of the Covid-19 pandemic, terrorist activities or death in the Royal family
- Brexit will impact the charity's ability to work with European artists, as well as creating an administrative and financial burden on any tours to Europe
- there is a risk of Theatre and Orchestra Tax Relief being discontinued
- the charity depends heavily on the support of a major donor

From mid-March 2020, closures caused by the Covid-19 pandemic have impacted the venues we work with and events planned from April 2020 onwards were cancelled. In addition we have seen a fall in voluntary income as some of our major donors' businesses were impacted by the pandemic. This means that we are likely to use some of our reserves during the 19/20 and 20/21 years. We have responded to the challenges faced by reducing overheads – we moved offices, reduced headcounts and working hours, reduced our IT spend by switching to more cost-effective solutions, and found savings in other areas. Our ability to scale down and work flexibly means that the charity has been able to work through this period and is able to plan performances to take place after the restrictions on performances are removed.

As there is always a risk that performances might be cancelled through the pandemic, terrorist activity, royal demise or other reasons beyond our control, the management team build stringent policies into company contracts so that the impact of such cases is minimised. Event cancellation insurance is also taken out for certain events, but is not viable for all performances.

The management team are working closely with the main industry bodies to keep abreast of Brexit implications and shifts in policy. Increased paperwork is required where EU artists enter the UK, as well as if we wish to tour, but we are building in the time and financial resources to cover this, and we have also set aside a designated touring fund, which will help with these, and other touring-related costs.

Theatre and Orchestra Tax Relief is received the year after the corresponding performances have taken place, therefore if it were to be discontinued, while having a negative effect on revenue, the management team would have sufficient time to revise plans for the following year in order to decrease expenditure accordingly.

The eventuality of losing support from major donors would naturally impact the income available to the charity unless this income was replaced from other sources, but the risk is mitigated by stringent financial management which is closely monitored by the Board of Trustees. Reserves are maintained, and commitments forecast in such a way that events could be cancelled if necessary, and restructuring put in place.

Key controls used by the charity include formal agendas and minutes for all Trustee meetings, comprehensive planning, budgeting and accounting and clear authorisation and approval levels of all expenditure. Controls over operation of the charity's bank account and periodic reviews of the adequacy of insurance are considered to be adequately managed.

THE MOZARTISTS

REPORT OF THE TRUSTEES (continued)

RISK POLICY (continued)

Through the risk management processes established, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Company law requires the Trustees (who are also directors of The Mozartists for the purposes of company Law) to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial period and of its financial position at the end of that period. In preparing those financial statements the Trustees are required to:

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

The Trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees are responsible for maintaining proper accounting records which 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 and the Charities Act 2011. The Trustees 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.

THE MOZARTISTS

REPORT OF THE TRUSTEES (continued)

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS (continued)

In so far as the Trustees are aware:

- there is no relevant information of which the charitable company's independent examiner is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

By order of the Trustees:

Approved by the Members on 4 May 2021 and signed on their behalf by:



.....
Megan Chidlow

Company Secretary

Registered office

Boundary House
Boston Road
London
W7 2QE

THE MOZARTISTS

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF THE MOZARTISTS

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 August 2020.

Responsibilities and basis of report

As the charity's Trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

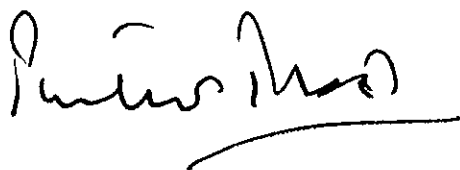
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should have been drawn in this report in order to enable a proper understanding of the accounts to be reached.



Phillip Roberts FCA

Roberts & Co.
Chartered Accountants
136 Kensington Church Street
London
W8 4BH

THE MOZARTISTS

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total £	2019 Total £
Income from:					
Donations and grants	2	356,440	133,878	490,318	671,590
Charitable activities	3	120,061	366	120,427	131,647
Theatre and Orchestra Tax Relief		62,635	-	62,635	66,376
Bank interest		1,096	-	1,096	1,007
Total income		540,232	134,244	674,476	870,620
Expenditure on:					
Raising funds	4	113,357	-	113,357	115,743
Charitable activities	4	547,964	99,666	647,630	690,210
Total expenditure	5,6	661,321	99,666	760,987	805,953
Net (expenditure)/income being net movement in funds		(121,089)	34,578	(86,511)	64,667
Reconciliation of funds					
Total funds brought forward		361,058	36,382	397,440	332,773
Total funds carried forward	14,15	239,969	70,960	310,929	397,440

There are no recognised gains and losses other than those in the statement of financial activities. Therefore no statement of total recognised gains and losses has been prepared. All the above amounts relate to continuing activities.

The accompanying notes on pages 15 to 24 form an integral part of these financial statements

THE MOZARTISTS
BALANCE SHEET
AS AT 31 AUGUST 2020

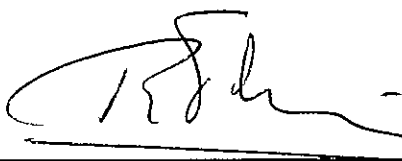
Company no: 3361716
Charity no: 1063387

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	9	<u>4,842</u>	<u>6,180</u>
		4,842	6,180
Current assets			
Stock	11	2,963	2,844
Debtors	12	169,319	127,574
Cash at bank and in hand		<u>167,233</u>	<u>310,725</u>
		339,515	441,143
Creditors: amounts falling due within one year	13	<u>(33,428)</u>	<u>(49,883)</u>
Net current assets		306,087	391,260
Total net assets		<u>310,929</u>	<u>397,440</u>
Funds			
Designated funds	15	54,842	175,000
General funds		<u>185,127</u>	<u>186,058</u>
Total unrestricted funds		239,969	361,058
Restricted funds	14	70,960	36,382
Total funds	16	<u>310,929</u>	<u>397,440</u>

For the year ending 31 August 2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts. The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

The accounts were approved by the Board of Trustees on 4 May 2021 and signed on their behalf by:



Raphael Vermelr CBE

The accompanying notes on pages 15 to 24 form an integral part of these financial statements

THE MOZARTISTS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Cash flows from operating activities:		
Net (expenditure)/income for the financial year	(86,511)	64,667
Adjustments to cash flows for:		
Depreciation charges	4,402	6,389
Investment income	(1,096)	(1,007)
(Increase)/decrease in debtors	(41,745)	17,850
(Increase) in stocks	(119)	(47)
(Decrease)/increase in creditors	(16,455)	14,593
Net cash (used in)/generated from operating activities	(141,524)	102,445
Cash flows from investing activities		
Interest from investments	1,096	1,007
Purchase of tangible fixed assets	(3,064)	(3,637)
Net cash (used in)/provided by investing activities	(1,968)	(2,630)
Net (decrease)/increase in cash and cash equivalents	(143,492)	99,815
Cash and cash equivalents at the beginning of the year	310,725	210,910
Cash equivalents at the end of the year	167,233	310,725
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	167,233	310,725

The accompanying notes on pages 15 to 24 form an integral part of these financial statements

THE MOZARTISTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice for charities (SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. In addition these financial statements have been prepared under the historical cost convention.

The Mozartists meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The functional and presentational currency is pounds sterling and rounding is to the nearest pound.

b) Income

Income is recognised where there is entitlement, where the receipt of income is probable and the amount can be measured with sufficient reliability.

Grants and donations are recognised once entitlement and value have been confirmed in writing.

Charitable activities represent income received from live and recorded musical performances, including concerts and recordings. The income is recognised on the completion of the performance or, in the case of royalties, when receivable.

Investment income is included in the accounts when receivable, this is received in the form of interest income from standard bank accounts.

The value of services provided by volunteers is immaterial and has not been included in these financial statements.

c) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated inclusive of irrecoverable VAT.

Expenditure comprises direct costs and support costs. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity, and support costs which are not attributable to a single activity, are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds are costs incurred in seeking voluntary income, and those incurred in trading activities that raise funds, and associated salary and support costs.

Expenditure on charitable activities includes the costs of performances and educational activities undertaken to further the purposes of the charity, and associated salary and support costs.

Governance costs include costs which are directly attributable to the day to day running of the charity and procedures necessary for compliance with statutory requirements.

THE MOZARTISTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (CONTINUED)

c) Expenditure (continued)

and information systems support and finance support which are necessary in order to carry out the primary purposes of the charity. Support costs are allocated using an apportionment in proportion to staff time.

d) Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31 August 2020 as the company enjoys tax-exempt charitable status.

d) Pensions

The charity operates a defined contribution pension scheme for employees. These assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities as they become due.

f) Estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the Trustees' best knowledge of the amount, events or actions, actual results ultimately differ from these estimates. The Trustees do not consider there to be any material estimates and judgements.

g) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. All assets costing £500 or more and with an expected useful economic life exceeding one year are capitalised. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful life of IT and office equipment is four years.

h) Stocks

Stocks are valued at the lower of cost and net realisable value.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amount receivable at the balance sheet date.

j) Cash at bank and in hand

Cash at bank and in hand includes cash and short term deposit accounts with 35 days notice or less.

k) Creditors

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

THE MOZARTISTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (CONTINUED)

l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement value before any trade discounts due. Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts.

m) 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 specific purposes.

Designated funds are unrestricted funds which have been set up by the Trustees to hold funds for specific purposes. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted funds are those which have been given for particular purpose and projects within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The aim and use of each restricted fund is set out in the notes to the accounts.

n) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

o) Going Concern and COVID-19

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Following the World Health Organisation's declaration of COVID-19 as an international pandemic in March 2020 and the subsequent restrictions imposed by the UK and the subsequent restrictions imposed by the UK government, The Mozartists has been affected in a number of ways and has made use of the Government Furlough Scheme.

The trustees believe that the forecasted results and adequate level of cash flow of the charity together with the measures taken to date will enable the charity to continue as a going concern and, as a result, do not include any adjustments that would result if the charity was not able to continue as a going concern.

THE MOZARTISTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. INCOME FROM DONATIONS AND GRANTS

	Unrestricted funds	Restricted funds	2020 Total	2019 Total
	£	£	£	£
Individual and corporate donations	323,886	59,957	383,843	594,740
Trusts and foundations	2,500	60,921	63,421	63,850
Government grants - furlough scheme	25,054	-	25,054	-
Local public authorities	5,000	13,000	18,000	13,000
	356,440	133,878	490,318	671,590

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	2020 Total	2019 Total
	£	£	£	£
Ticket sales	110,647	-	110,647	116,048
CD and streaming income	9,414	366	9,780	15,599
	120,061	366	120,427	131,647

4. EXPENDITURE BY ACTIVITY TYPE

	Staff costs	Non staff costs	Support costs	2020 Total	2019 Total
	£	£	£	£	£
Unrestricted funds:					
Raising funds	76,708	18,383	18,266	113,357	115,743
Charitable activities:					
Performance and recording costs	151,753	314,323	72,143	538,219	602,475
Education costs	7,455	503	1,787	9,745	10,406
	159,208	314,826	73,930	547,964	612,881
Total unrestricted expenditure	235,916	333,209	92,196	661,321	728,624

THE MOZARTISTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. EXPENDITURE BY ACTIVITY TYPE (CONTINUED)

	Staff costs	Non staff costs	Support costs	2020 Total	2019 Total
	£	£	£	£	£
Restricted funds:					
Charitable activities:					
Performance and recording costs	-	72,316	-	72,316	41,205
Education costs	7,500	19,850	-	27,350	36,124
Total restricted expenditure	7,500	92,166	-	99,666	77,329
Total expenditure	243,416	425,375	92,196	760,987	805,953

5. SUPPORT COSTS

	2020 £	2019 £
Staff costs and related expenditure	19,262	9,669
Property and related costs	24,714	26,779
Office expenses	10,408	18,178
Legal and professional	499	1,016
Marketing and PR	18,066	42,288
IT costs	17,249	14,722
Governance costs	2,000	2,421
	92,198	115,073

Support costs (including governance) and staff costs are apportioned on the basis of staff time among the charitable activities and the cost of raising funds shown in note 4. Direct costs are allocated directly to activities where ever possible.

6. STAFF COSTS

	2020 £	2019 £
Wages and salaries	221,787	219,589
Employer's National Insurance	16,951	18,368
Employer's pension contributions	4,678	3,728
	243,416	241,685

No employees received emoluments of more than £60,000 during 2020 or 2019.

THE MOZARTISTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. STAFF COSTS (CONTINUED)

Average number of employees during the year (including staff on furlough)	7	7
Average number of full time equivalent employees during the year (including staff on furlough)	5	5

Key management personnel of the charity during the year comprised: the Chief Executive Officer, Finance and Resources Manager, Development and Communications Manager and Head of Artistic Administration. The total remuneration of key management personnel (including employer's National Insurance and pension contributions) received by the charity's key management personnel in the year was £178,499 (2019: £181,608).

7. TRUSTEE EXPENSES

No Trustees received any remuneration or expenses from the charity in relation to the performance of their duties as trustees in either 2020 or 2019.

8. NET MOVEMENT IN FUNDS FOR THE YEAR

	2020	2019
	£	£
The net movement in funds for the year is stated after charging:		
Depreciation of owned fixed assets	4,402	6,389
Operating lease payments - office rental		
Independent Examiner's remuneration	2,000	1,906
Independent Examiner's fees for other services	400	386

THE MOZARTISTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9: TANGIBLE FIXED ASSETS

	2020	2019
	£	£
Office, IT and musical equipment		
Cost		
Brought forward	29,062	25,425
Additions	3,064	3,637
Disposals	(6,814)	-
Carried forward	<u>25,312</u>	<u>29,062</u>
Depreciation		
Brought forward	22,882	16,493
Charge for the year	4,402	6,389
Depreciation relating to disposals	(6,814)	-
Carried forward	<u>20,470</u>	<u>22,882</u>
Net book value		
As at 31 August 2020	4,842	6,180
As at 31 August 2019	6,180	8,932

11: STOCK

	2020	2019
	£	£
Stock of CDs held for resale	<u>2,963</u>	<u>2,844</u>

12: DEBTORS

	2020	2019
	£	£
Trade debtors	2,460	34,333
Prepayments	11,047	23,001
Accrued income	14,519	6,500
Theatre and Orchestra Tax Relief	122,416	59,781
Gift aid receivable	14,335	1,146
Other debtors	4,542	2,813
	<u>169,319</u>	<u>127,574</u>

At the end of August 2020 the charity was due Theatre and Orchestra Tax Relief in relation to two financial years, in 2019 the debtor related to only one financial year. £66,423 was received in September 2020 in relation to one of the annual claims due.

THE MOZARTISTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13: CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	6,462	19,526
Accruals	22,875	17,254
Other taxation and social security	2,776	6,208
Deferred income	-	4,594
Other creditors	1,315	2,301
	33,428	49,883

14: RESTRICTED FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
Performance and artist funds	25,053	108,244	(72,316)	-	60,981
Educational projects funds	11,329	26,000	(27,350)	-	9,979
	36,382	134,244	(99,666)	-	70,960

Purpose of restricted funds

Performance and artist funds	Funding towards performances scheduled for future years.
Educational projects funds	Education project delivered in schools.

Restricted income for performances received in the year to 31 August 2019 and included in performance funds brought forward included £12,000 from the Cockayne – Grants for the Arts Fund, administered by The London Community Foundation; this receipt is restricted to the Mozart in Italy festival held in March 2020.

THE MOZARTISTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15: GENERAL AND DESIGNATED FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
General funds:					
Unrestricted funds	186,058	539,232	(611,870)	71,707	185,127
Designated funds:					
Fixed assets fund	-	-	(4,402)	9,244	4,842
Office move fund	15,000	-	(1,315)	(13,685)	-
Recordings fund	70,000	1,000	(43,734)	(27,266)	-
MOZART 250 project fund	60,000	-	-	(30,000)	30,000
Touring fund	30,000	-	-	(10,000)	20,000
	175,000	1,000	(49,451)	(71,707)	54,842
	361,058	540,232	(661,321)	-	239,969

16: ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year	Restricted Funds 2020 £	Unrestricted Designated funds 2020	General funds 2020 £	Total Funds 2020 £
Tangible fixed assets	-	-	4,842	4,842
Current assets	70,960	54,842	213,713	339,515
Creditors due within one year	-	-	(33,428)	(33,428)
	70,960	54,842	185,127	310,929

Prior year	Restricted Funds 2019 £	Unrestricted Designated funds 2019	General funds 2019 £	Total Funds 2019 £
Tangible fixed assets	-	-	6,180	6,180
Current assets	36,382	175,000	229,761	441,143
Creditors due within one year	-	-	(49,883)	(49,883)
	36,382	175,000	186,058	397,440

THE MOZARTISTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. PENSION COMMITMENTS

The charity operates a separate defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension costs charge represents contributions payable by the charity to the funds and amounted to £4,678 (2019: £3,728). Contributions totalling £564 (2019: £1,064) were payable to the fund at the balance sheet date and are included in creditors.

18. OTHER FINANCIAL COMMITMENTS

	Land and buildings	
	2020	2019
	£	£
At the year end the charity had annual commitments under non-cancellable operating leases as set out below:		
Operating leases within one year	5,500	3,468

19. MEMBERS' LIABILITIES

The charitable company is limited by guarantee. Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up such amount as may be required not exceeding £1. At the balance sheet date there were 3 members.

20. RELATED PARTY TRANSACTIONS

The total amount of donations received without conditions from Trustees and related parties during the reporting period was £147,000 (2019: £500,336).

There were no outstanding balances with related parties at the year end date (2019: £Nil).

In view of the charity's legal status the charity Trustees consider that there is no ultimate controlling party to be disclosed under the provisions of Financial Reporting Standard No. 8.

21. IMPACT OF THE OUTBREAK OF COVID-19

The Trustees consider the impact of the outbreak of COVID-19 to be a non-adjusting post balance sheet event. Accordingly the financial position at 31 August 2020 and the results for the year then ended have not been adjusted. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of ongoing measures to combat its continuing threat, remain unclear. It is not possible to estimate the duration and severity of these consequences reliably, nor their impact on the financial position and results of the charity for future accounting periods.