

Company Registration No. 01587684 (England and Wales)
Charity Registration No. 283484 (England and Wales)

THE CHAMBER ORCHESTRA OF EUROPE
(Limited by guarantee and not having share capital)

TRUSTEES' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE CHAMBER ORCHESTRA OF EUROPE

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THE CHAMBER ORCHESTRA OF EUROPE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees and Executive committee	John Peter Abercromby Readman Michael Graham Hoare James Judd
Secretary	Michael Graham Hoare
Company Registration No.	01587684
Charity Registration No.	283484
Principal office	North House 27 Great Peter Street London SW1P 3LN
Registered office	40 Queen Anne Street London W1G 9EL
Auditors	Lewis Golden LLP Chartered Accountants and Statutory Auditors 40 Queen Anne Street London W1G 9EL
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ
Solicitors	Linklaters LLP No 1 Silk Street London EC2Y 8HQ
Website	www.coeurope.org

THE CHAMBER ORCHESTRA OF EUROPE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees (who are also the directors) are pleased to present their report, together with the financial statements of the company for the year ended 31 December 2020 which also represents the Directors' report as required by s415 of the Companies Act 2006.

The financial statements have been prepared in accordance with accounting policies set out on pages 12 to 14 and with applicable United Kingdom accounting standards, current statutory requirements, the Charities Act 2011, the Companies Act 2006 (Charitable Companies), Accounting and Reporting by Charities: Statement of Recommended Practice Applicable to Charities Preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (2nd Edition, effective January 2019) ("Charities SORP"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102') and the charity's governing document. Legal and administrative information set out on page 1 forms part of this report.

The company and its charitable objectives for the public benefit

The Chamber Orchestra of Europe (COE) is a company limited by guarantee and not having a share capital (number 01587684). It is governed by its Memorandum and Articles of Association dated 25 September 1981, and is a registered charity (number 283484).

Legal and administrative information, as set out on page 1, forms part of this report.

The objectives of the Orchestra are to promote the performance of works of classical music so as to increase public taste and appreciation for the art of music.

As well as being Leaders and Principals of other major orchestras, the players pursue parallel careers as international soloists, members of celebrated chamber ensembles, and as professors of music. Unsurprisingly, the Chamber Orchestra of Europe philosophy influences the players' own work during the rest of the year, notably in a wide range of educational projects in which they are involved, making the Orchestra a truly impressive example of co-operation between individual European nations.

The Chamber Orchestra of Europe has been able to implement a European Partnership Scheme with a group of major concert halls and festivals across the continent. These include the Cité de la Musique in Paris, the Concertgebouw in Amsterdam, the Philharmonie in Cologne, the Teatro Comunale in Ferrara, and the Lucerne and Salzburg Mozartwoche Festivals. These partnerships enhance the Orchestra's financial and artistic stability, increase its profile, and ensure that its objectives can be sustainable in the long term.

The Chamber Orchestra of Europe Academy was developed in 2009 in order to give selected students the chance to study with the principal players of the Chamber Orchestra of Europe and be inspired by the Orchestra's unique ethos and passion for making music.

The Trustees confirm that in accordance with section 4 of the Charities Act 2006 they have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning their future activities.

Organisation

The company's administration is under the control of the Trustees. The Trustees during the year to 31 December 2020 were:

J.P.A. Readman (Chairman)
M.G. Hoare (Secretary)
J. Judd (Director)

No Trustee/Director received any remuneration in the year to 31 December 2020, and no travel or other expenses were paid on behalf of any Trustee.

THE CHAMBER ORCHESTRA OF EUROPE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Method of appointment of trustees

The appointment of Trustees/Directors is governed by the Memorandum and Articles of Association. In accordance with the charitable company's Articles of Association Michael Hoare retires by rotation and, being eligible, offers himself for re-election.

Results for the year ended 31 December 2020

The results for the year on page 9 of the financial statements show a net surplus for the year of £312,800 increasing reserves at the end of the year to £2,014,035.

Achievements and Performance

The Orchestra's first project of 2020 started with concerts at the "Mozartwoche" Festival in Salzburg. Over the last 16 years we have been delighted to return seven times as a guest to this important Festival for chamber orchestras. On this occasion, on January 24th, we were excited to be rediscovering Mozart's "Paris" and "Jupiter" symphonies with conductor Andrew Manze and also to have the opportunity to perform Mozart's Oboe Concerto with our great friend and former principal oboe François Leleux. On January 25th there was a rare opportunity to hear a selection of Mozart's Divertimenti with soloists from the Orchestra.

The COE's inspirational leader Lorenza Borrani directed the Orchestra for a series of concerts during February in partnership with pianists Dénes Varjon and Izabella Simon. We performed Beethoven's Piano Concerto No. 4 with Dénes and Izabella joined him in Mozart's Concerto for two pianos KV. 365. The programme also included Bach's Brandenburg Concerto No. 5 featuring the COE's principal flute Clara Andrada de la Calle together with Mozart's Serenade No. 6 'Serenata Notturna'. The tour took us to Budapest in Dénes Varjon's home country Hungary, Antwerp in Belgium and Groningen in the Netherlands where the Orchestra made its debut. The tour was included in the Chamber Orchestra of Europe's 2020 series of concerts celebrating Beethoven's 250th birthday.

Later that month, the COE was able to work again with conductor Matthias Pintscher with whom we performed for the first time in 2018 with great success in Bilbao at the Musika-Musica Festival. On that occasion, the Orchestra had performed Stravinsky's Pulcinella Suite and for this project the COE was able to programme the entire ballet under Pintscher's baton, alongside soprano Kate Royal, tenor Benoît Rameau and bass Otto Katzameier. The other works on the programme were Fauré's Masques Bergamasques, Mozart's Piano Concerto No. 20 and Chopin's Andante Spianato & Grande Polonaise with Emanuel Ax as piano soloist. Emanuel is a much loved and great friend of the Orchestra and has said "I always feel that playing with the COE is a true privilege, and it is a highlight of my musical life. In short, I am a devoted and grateful fan!". The three concerts on this tour took place on 20th February at Bozar in Brussels, on 22 February at the Teatro Romolo Valli in Reggio Emilia and on 23rd February at the Teatro Comunale in Ferrara.

The "wrecking ball" of COVID-19 hit us from March 2020 onwards with all remaining concerts of the year eventually cancelled. For the COE, an international touring orchestra comprising musicians who live far apart from each other in different European cities, the knock-on effects of the COVID-19 pandemic could not have been more acutely felt. However, during October, with the virus still active and faced with severe travel and quarantine restrictions together with a completely changed way of making live music with social distancing and other measures, we found a way to perform together at the Philharmonie in Berlin with conductor Sir Simon Rattle and violin soloist Vilde Frang. We presented repeat concerts at 5pm and 9pm in performances of Beethoven's Violin Concerto and Haydn's Symphony No. 90. The COE has longed to work with Sir Simon Rattle for many years and it was an immense boost for us all, both musically and psychologically to have this opportunity to work with him last October at this difficult and important time for the Orchestra. We had been fortunate to perform with Vilde in the past and it was a great pleasure to join her again on this occasion to discover and immerse ourselves in her interpretation of the Beethoven Concerto. In addition to the enjoyment and success of the rehearsals and concerts our project with Sir Simon in Berlin, one of the world's greatest conductors in one of the world's greatest concert halls, was a real beacon of hope. We were able to come together and recharge our batteries and look to the future with renewed optimism. We would not have been able to realise these concerts without Sir Simon's support and that of the Berlin Philharmonie.

THE CHAMBER ORCHESTRA OF EUROPE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Finance and sponsorship

We continue to be very fortunate to benefit from the significant support of The Gatsby Charitable Foundation and from our programme of support of the Principal positions in the Orchestra. In 2020 we benefited again from a meaningful grant towards our eligible expenses from HMRC under its orchestra tax relief scheme which was introduced in April 2016. Above all, however, we received an exceptional and very significant additional donation from The Gatsby Charitable Foundation specifically to support our members through a very challenging Covid-affected year, for which we are immensely grateful.

Reserves Policy

At the end of the year the Orchestra had reserves of £2,014,035. The Orchestra requires a level of reserves to ensure sufficient resources to support a programme of activity that involves development some years in advance. The Trustees also consider it appropriate to have a certain level of reserves to mitigate some of the risks associated with working across Europe at a time of uncertainty caused by Covid. Given the cancellations and other disruptions arising from the virus, the Trustees consider the reserves held at the year end to be vital to ensure the Orchestra's future.

The reserves of the charity are constantly reviewed by the Trustees to ensure they are appropriate to support the activities of the charity. The Trustees set budgets at the start of the year and review actual income and expenditure against these budgets at regular Trustee meetings.

Major Risks

The major risks to which the COE is exposed are constantly reviewed by the Trustees and, to the extent possible, systems have been put in place to mitigate those risks. Specifically, these include dealing with the massive consequences of Covid and now of Brexit, to which the COE is as vulnerable as any British orchestra. However, with the healthy level of reserves and additional grants from The Gatsby Charitable Foundation there is every prospect that the Orchestra remains in a reasonable position to weather the Covid storm and to resume playing concerts, hopefully in the second half of 2021.

Future Activities

It is almost certain that all our concerts in the first half of 2021 will be cancelled. We are very much hoping to return in July to the Baden Baden Summer Festival with Yannick Nézet-Séguin and to the Rheingau Festival at the end of July. We also hope to be playing concerts including possibly the Proms in August with Janine Jansen and undertaking tours with Piotr Anderszewski in October and with András Schiff in November/December.

Inevitably all these projects in the second half of the year are subject to travel, quarantine and other restrictions throughout Europe being lifted, but whatever happens in 2021 we are confident that once the Covid storm blows over and certain Brexit difficulties for touring musicians are resolved, we will be back with a full schedule of concerts in 2022.

THE CHAMBER ORCHESTRA OF EUROPE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Statement of trustees' responsibilities

The trustees (who are also directors of The Chamber Orchestra of Europe for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

By order of the trustees



John Peter Abercromby Readman
Chairman

Date: 19 April 2021

THE CHAMBER ORCHESTRA OF EUROPE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHAMBER ORCHESTRA OF EUROPE

Opinion

We have audited the financial statements of The Chamber Orchestra of Europe (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities (including an income and expenditure account), the Balance Sheet, the Statement of Cash Flows and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE CHAMBER ORCHESTRA OF EUROPE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHAMBER ORCHESTRA OF EUROPE (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

THE CHAMBER ORCHESTRA OF EUROPE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHAMBER ORCHESTRA OF EUROPE (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Moss
Senior Statutory Auditor
For and on behalf of Lewis Golden LLP
Chartered Accountants and Statutory Auditors
40 Queen Anne Street
London W1G 9EL

Date:

22 April 2002

THE CHAMBER ORCHESTRA OF EUROPE

STATEMENT OF FINANCIAL ACTIVITIES (including an income and expenditure account) FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds 2020 £	Unrestricted Funds 2019 £
Income and endowments from:			
Donations and legacies		767,370	521,873
Charitable activities		451,750	2,212,202
Other	3	461,940	377,607
Total income and endowments	2	1,681,060	3,111,682
Expenditure on:			
Charitable activities	4	(1,368,180)	(3,165,239)
Total expenditure		(1,368,180)	(3,165,239)
Net income/(expenditure)		312,880	(53,557)
Net movement in funds	16	312,880	(53,557)
Total funds brought forward		1,701,155	1,754,712
Total funds carried forward	16	2,014,035	1,701,155

THE CHAMBER ORCHESTRA OF EUROPE

BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	£	2020 £	£	2019 £
Tangible fixed assets	10		7,533		10,053
Current assets					
Debtors	11	28,520		89,939	
Cash at bank and in hand		2,004,134		1,717,873	
		<u>2,032,654</u>		<u>1,807,812</u>	
Creditors: amounts falling due within one year	12	(26,152)		(116,710)	
Net current assets			2,006,502		1,691,102
Total assets less current liabilities			<u>2,014,035</u>		<u>1,701,155</u>
Represented by:-					
Unrestricted income funds			2,014,035		1,701,155
Total charity funds	16		<u>2,014,035</u>		<u>1,701,155</u>

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2nd edition, effective 1 January 2019). Under section 454 of the Companies Act 2006, the trustees can amend these financial statements if they subsequently prove to be defective.

The financial statements were approved by the board:



John Peter Abercromby Readman
Chairman

Date: 19 April 2021



Michael Graham Hoare
Trustee

The Chamber Orchestra of Europe (Company Registration No. 01587684)
(Charity Registration No. 283484)

The notes on pages 12 to 18 form part of these financial statements.

THE CHAMBER ORCHESTRA OF EUROPE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Net cash inflow from operating activities	18	286,261	58,443
Increase in cash and cash equivalents during the year		286,261	58,443
Cash and cash equivalents at the beginning of the year		1,717,873	1,659,430
Total cash and cash equivalents at the end of the year		2,004,134	1,717,873

THE CHAMBER ORCHESTRA OF EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2nd edition, effective 1 January 2019) and the provisions of the Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charitable company meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees have considered a period of 12 months from the date of approval of the financial statements when considering the going concern status of the charity. The charity reported an increase in cash and cash equivalents of £286,261 for the year and has unrestricted reserves of £2,014,035. There are no material uncertainties regarding the going concern status.

1.3 Income and endowments

(i) Donations and legacies

Income from Friends, donations and legacies are recorded on a receipts basis. Donated goods and services are recorded by recognising an equal donation and expense at the fair value of the resources received.

(ii) Income from charitable activities

Revenue from concerts and recordings are recorded on the accruals basis.

(iii) Other income

Other income is recognised on the accruals basis when the charity has entitlement to the income, it is probable that the income will be received by the charity and the income can be measured reliably.

1.4 Expenditure

Expenditure in the statement of financial activities is dealt with on the accruals basis and is classified as follows:

(i) charitable activities

This comprises all costs expenditure incurred by the charity in meeting its charitable objectives.

1.5 Accumulated funds

The unrestricted income funds represent the funds of the charitable company which are not designated for particular purposes.

Any funds receivable during the relevant accounting period but not utilised are carried forward as part of total charity funds.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets (other than freehold land) at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Musical instruments	-	25% reducing balance
Computer equipment	-	25% reducing balance

1.7 Debtors

Short term debtors are measured at the transaction price, less any impairments. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method, less any impairment.

THE CHAMBER ORCHESTRA OF EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

1.8 Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

1.10 Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities (including an income and expenditure account).

1.11 Music library

No value is placed on the charitable company's library of music.

1.12 Presentational currency

The financial statements are presented in Sterling, due to the company being based in the United Kingdom, while the functional currency of the company is Euros.

1.13 Pensions

Defined contribution pension scheme

The company operates a defined contribution scheme for its employees. A defined contribution scheme is a pension scheme under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of financial activities when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the scheme are held separately from the company in independently administered funds.

1.14 Financial instruments

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financial transaction, where the transaction is measured at present value of future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

THE CHAMBER ORCHESTRA OF EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

1.14 Financial instruments (continued)

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities (including an income and expenditure account). If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Financial Activities (including an income and expenditure account).

Financial assets are derecognised when:

- (a) The contractual rights to the cash flows from the asset expire or are settled; or
- (b) Substantially all the risks and rewards of the ownership of the asset are transferred to another party; or
- (c) Control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors that are classified as debt are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, this is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 Income and endowments

Income generated from charitable activities is stated net of value added tax, and represents amounts invoiced to third parties.

3 Other income

	2020 £	2019 £
EU VAT reclaim	6,958	4,584
Royalties	1,965	4,100
Insurance claims	627	-
Orchestra tax relief	452,390	368,923
	<u>461,940</u>	<u>377,607</u>

THE CHAMBER ORCHESTRA OF EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

4 Expenditure on charitable activities

	Notes	2020 £	2019 £
Direct:			
Players' fees and expenses		568,916	1,099,060
Tour management fees		113,565	123,998
Travel expenses		248,119	855,881
Artists' fees		109,670	298,021
Performance related costs		114,402	158,979
Withholding tax		10,500	109,110
Indirect:			
Wages and salaries	9	179,098	175,291
Employer's national Insurance	9	16,759	17,106
Pension contributions	9	11,028	9,832
Telephone, postage, printing and sundry office supplies		44,544	82,677
FEU deductions		-	(11,136)
Foreign exchange (gains)/losses		(117,880)	177,404
Governance costs	5	69,459	69,016
		<u>1,368,180</u>	<u>3,165,239</u>

Players' fees and artists' fees include payments made to independent professionals for the provision of services to the Orchestra. These fees include subsistence costs where applicable.

Withholding tax is deducted from gross concert fees for performances in Germany and is non-recoverable due to the charitable company not being liable for corporation tax.

5 Governance costs

		2020 £	2019 £
Auditor's remuneration	6	24,850	17,400
Accountancy fees		27,204	27,264
Bank charges		17,405	24,352
		<u>69,459</u>	<u>69,016</u>

6 Auditor's remuneration

		2020 £	2019 £
Audit fees		20,363	14,262
Accountancy and other services		4,487	3,138
		<u>24,850</u>	<u>17,400</u>

THE CHAMBER ORCHESTRA OF EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

7 Donations in kind

During the current and prior year the charitable company benefited from the provision of office facilities and equipment made available by Friends of the charitable company. The trustees are of the opinion that it is not practical to quantify this donation in kind, as the work required in obtaining professional advice would outweigh any possible benefit. The charitable company also received a donation in kind by way of a reduction in audit fees of £1,243 (2019: £4,100) for services provided by Lewis Golden LLP. This donation in kind has not been recognised in arriving at the net expenditure for the year.

8 Taxation

The charitable company is a registered charity and is not liable to corporation tax in the United Kingdom.

9 Staff costs

	2020 £	2019 £
Wages and salaries	179,908	175,291
Social security costs	16,759	17,106
Pension contributions	11,028	9,832
	<u>207,695</u>	<u>202,229</u>
Average number of employees during the year:		
	2020 Number	2019 Number
Administration	<u>4</u>	<u>4</u>

No employee received emoluments exceeding £60,000 in the current or prior year.

During the current and prior year none of the trustees (or any persons connected with them) received any remuneration or reimbursement of expenses.

THE CHAMBER ORCHESTRA OF EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

10 Tangible fixed assets

	Musical instruments £	Computer equipment £	Total £
Cost			
At 1 January 2020	44,178	3,236	47,414
Additions	-	-	-
At 31 December 2020	44,178	3,236	47,414
Depreciation			
At 1 January 2020	34,261	3,100	37,361
Charge for the year	2,486	34	2,520
At 31 December 2020	36,747	3,134	39,881
Net book value			
At 31 December 2020	7,431	102	7,533

11 Debtors

	2020 £	2019 £
Trade debtors	9,028	13,582
Other debtors	8,627	8,101
Prepayments and accrued income	10,865	68,256
	28,520	89,939

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income amounted to £15,076 (2019: £13,582).

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	(7,957)	55,980
Taxation and social security	8,558	6,563
Accruals and deferred income	25,551	54,167
	26,152	116,710

There was no deferred income recognised in the current year. In the prior year, accruals and deferred income included £41,667 of deferred income in relation to concerts performed in 2020.

Financial liabilities measured at amortised cost comprise trade creditors, general accruals (excluding the audit fee accrual) amounted to (£1,156) (2019: £55,980).

THE CHAMBER ORCHESTRA OF EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

13 Contingent assets

The contingent asset that has not been recognised in the Balance Sheet is the potential Orchestra Tax Relief receivable for the year ended 31 December 2020. The trustees expect to make a claim, however the value and timing of this receipt is uncertain, although the trustees hope to receive approximately 25% of the eligible expenses.

14 Status of the charitable company

The charitable company, a registered charity, is a company limited by guarantee and not having share capital. The subscribers to the Memorandum of Association, and any other persons which the committee admit, are members of the charitable company. At present, the membership is 3 (2019: 3), each member guaranteeing the charitable company up to an amount of £1. There is no controlling party.

15 Related party transactions

There were no related party transactions or balances during the current or prior year.

16 Total charity funds

	2020 £	2019 £
At 1 January 2020	1,701,155	1,754,712
Net income/(expenditure)	312,880	(53,557)
At 31 December 2020	<u>2,014,035</u>	<u>1,701,155</u>

17 Analysis of net assets

	2020 £	2019 £
Fund balances as at 31 December are represented by:		
Fixed assets	7,533	10,053
Debtors	28,520	89,939
Cash at bank	2,004,134	1,717,873
Creditors: amounts falling due within one year	(26,152)	(116,710)
At 31 December	<u>2,014,035</u>	<u>1,701,155</u>

All funds are unrestricted.

18 Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net movement in funds	312,880	(53,557)
Add: depreciation charge	2,520	3,352
Decrease in debtors	61,419	41,943
(Decrease)/increase in creditors	(90,558)	66,705
Net cash flows from operating activities	<u>286,261</u>	<u>58,443</u>