

COMPANY REGISTRATION NUMBER: 06895875
CHARITY REGISTRATION NUMBER: 1129768

London Contemporary Orchestra Limited
Company Limited by Guarantee
Unaudited Financial Statements
31st August 2019

BROOKS & CO.
Chartered Accountants
9 Cheam Road
Ewell
Epsom
Surrey
KT17 1SP

London Contemporary Orchestra Limited

Company Limited by Guarantee

Financial Statements

Year ended 31st August 2019

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London Contemporary Orchestra Limited

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Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31st August 2019

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31st August 2019.

Reference and administrative details

Registered charity name	London Contemporary Orchestra Limited
Charity registration number	1129768
Company registration number	06895875
Principal office and registered office	Suite 116 43 Bedford Street Covent Garden London United Kingdom WC2E 9HA

The trustees

Mr N Mumby
Mr M Sanii

Company secretary Mr M Sanii

Independent examiner Michael Robinson ACA FCCA
9 Cheam Road
Ewell
Epsom
Surrey
KT17 1SP

Structure, governance and management

The London Contemporary Orchestra ("the Orchestra") was incorporated as a company limited by guarantee on 5 May 2009 (no. 06895875).

It is governed by its Memorandum and Articles of Association and is also a registered charity (no. 1129768).

Artistic direction and management are undertaken by two Artistic Directors, overseen by the Company Secretary.

Trustees were sought at incorporation and since with a view to covering several professions including finance.

London Contemporary Orchestra Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31st August 2019

Objectives and activities

The Orchestra has two key charitable objectives:

- The performance and promotion of contemporary music to an even wider audience in diverse venues and genres;
- The education and employment of young composers and young musicians at the start of their careers through workshops and performance opportunities.

The Orchestra utilises a flexible pool of some of the most talented young players in the UK to achieve these objectives. Performances range from music for solo instruments through to large-scale symphonic works. Commitment to young talent is also reflected in the management and the trusteeship of the Orchestra.

Achievements and performance

The orchestra undertook over 70 projects over the 2018-19 financial year.

On the performance side, we toured and presented a variety of large-scale works including new commissions and collaborations:

- A sold-out presentation of *Become Ocean* (John Luther Adams and Uaxuctum (Giacinto Scelsi) at the Barbican Concert Hall which featured the first ever algorithmic visuals generated to live. orchestral music (developed in collaboration with Universal Assembly Unit and Artrendex).
- Philip Glass's *Bowie Symphonie Trilogy* at the Royal Festival Hall, including the UK premiere of his latest symphony presented with Angélique Kidjo.
- A sold-out televised BBC Prom at the Royal Albert Hall.
- A four-part collaboration with *Erased Tapes* records at the Purcell Room at the Southbank Centre which featured four of their leading artists Qasim Naqvi, Michael Price, Rival Consoles and Hatis Noit.
- A new piece of Hildur Guðnadóttir presented at *Organ Reframed*.
- A new commission of Claire Singer presented at the PRSF New Music Biennale.
- A new collaboration with Mica Levi and the visual artist Hannah Perry presented at Somerset House and Towner House gallery in Eastbourne.
- A tour of Jonsi and Alex Sommer's *Rice Boys sleeps*, presented at the Barbican Concert Hall and the Paris Philharmonie.

We further developed our recording work considerably, expanding our composer pool to over 15 different artists with whom we made over 30 recordings for film and television such as:

- Bryce Dessner's score for the Netflix Oscar-nominated film, 'The Two Popes'.
- Thom Yorke's GRAMMY-nominated album, 'Anima'.
- Matthew Herbert's score for the Oscar-nominated documentary, 'The Cave'.
- 'LCO Textures', the orchestra's second collaboration with Spitfire Audio which won MusicTech's Best Virtual Instrument 2019, the most esteemed award in the sample library sector.
- Ongoing collaborations with leading composers such as Anne Nikitin, Jed Kurzel, Craig Armstrong, Rob Simonsen etc.
-

Financial review

The orchestra achieved solid revenue growth representing a ~15% increase in total revenues from £747k in 2017-18 to £884k in 2018-19.

- Income from engaged work grew to £794k.
- Income from charitable foundations was £59k.
- Our loan balance remained at zero.

London Contemporary Orchestra Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31st August 2019

Income from grants was less than 10% of turnover which is untypical for such an organisation and it remains the case that the orchestra is self-subsidising its charitable activities through its recording and commercial work.

In the light of the current Covid-19 outbreak and as a consequence of our continued increase in visibility as a public organisation we will be exploring options for core funding in the coming period. This is to support our plans in respect of our player pool and a further expansion of scope of our charitable live activities.

In addition, we have instituted a reserve policy to maintain at least 3 months equivalent of overheads as cash-in-hand.

Brooks & Co have allowed our financial management and procedures to function smoothly with better visibility on free cashflow and therefore more scope to plan and execute new charitable projects with profits from our commercial work.

Organisational Review

To support the work of our Live and Recordings verticals, we hired two salaried employees as managers/producers to work with the Artistic Directors in each of these areas to plan and execute projects.

This has been a successful exercise and we are looking at using core funding to expand these positions further.

We have also turned a strong focus to the organisation of our player pool through the planned appointment of a Player Manager who will oversee the creation of a new player database. The database will provide the basis of certain targets for booking players and managing a certain balance of players in relation to gender, ethnicity and age in accordance with our charitable objectives as a young, diverse orchestra.

Plans for future periods

The next phase of our growth will be dependent on expanding our Trustees' board to support our increased receipt of core funding and with it our charitable objectives around live performances and player pool diversity.

While the Covid-19 pandemic is ongoing, we have requested the Directors to create new internal systems to support these plans and deliver better reporting to the Trustees about them.

In addition, we are looking to expand remote recording work in order to continue to provide work to our player pool and also exploring a variety of options for remote performances.

The trustees' annual report was approved on 30th April 2020 and signed on behalf of the board of trustees by:



Mr N Mumby
Trustee

London Contemporary Orchestra Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of London Contemporary Orchestra Limited

Year ended 31st August 2019

I report to the trustees on my examination of the financial statements of London Contemporary Orchestra Limited ('the charity') for the year ended 31st August 2019.

Responsibilities and basis of report

The trustees are also the directors of the company for the purposes of company law are responsible for the preparation of the financial statements and in accordance with the requirement of Companies Act 2006. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of of the Institute of Chartered Accountants in England and Wales (ICAEW).

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

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

Independent examiner's statement


Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

 15/05/2020

Michael Robinson ACA FCCA
Independent Examiner

9 Cheam Road
Ewell
Epsom
Surrey
KT17 1SP

London Contemporary Orchestra Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31st August 2019

		Unrestricted funds	2019 Restricted funds	Total funds	2018 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	16,050	43,500	59,550	117,243
Charitable activities	6	794,831	—	794,831	628,294
Other income	7	29,796	—	29,796	9,770
Total income		<u>840,677</u>	<u>43,500</u>	<u>884,177</u>	<u>755,307</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	5,000	6,000	11,000	5,508
Expenditure on charitable activities	9,10	851,070	17,534	868,604	664,388
Total expenditure		<u>856,070</u>	<u>23,534</u>	<u>879,604</u>	<u>669,896</u>
Net income and net movement in funds		<u>(15,393)</u>	<u>19,966</u>	<u>4,573</u>	<u>85,411</u>
Reconciliation of funds					
Total funds brought forward		32,588	26,199	58,787	(26,624)
Total funds carried forward		<u>17,195</u>	<u>46,165</u>	<u>63,360</u>	<u>58,787</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

London Contemporary Orchestra Limited

Company Limited by Guarantee

Statement of Financial Position

31st August 2019

	Note	2019 £	2018 £
Current assets			
Debtors	15	151,112	47,732
Cash at bank and in hand		123,339	66,095
		<u>274,451</u>	<u>113,827</u>
Creditors: amounts falling due within one year	16	<u>211,091</u>	<u>55,040</u>
Net current assets		<u>63,360</u>	<u>58,787</u>
Total assets less current liabilities		<u>63,360</u>	<u>58,787</u>
Net assets		<u>63,360</u>	<u>58,787</u>
Funds of the charity			
Restricted funds		46,165	26,199
Unrestricted funds		<u>17,195</u>	<u>32,588</u>
Total charity funds	18	<u>63,360</u>	<u>58,787</u>

For the year ending 31st August 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

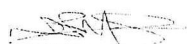
Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 30th April 2020 and are signed on behalf of the board by:



Mr N Mumby
Trustee

London Contemporary Orchestra Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31st August 2019

	2019 £	2018 £
Cash flows from operating activities		
Net income	4,573	85,411
<i>Adjustments for:</i>		
Interest payable and similar charges	439	397
Accrued expenses	70,720	10,059
<i>Changes in:</i>		
Trade and other debtors	(89,493)	(1,146)
Trade and other creditors	71,444	(75,619)
Cash generated from operations	57,683	19,102
Interest paid	(439)	(397)
Net cash from operating activities	57,244	18,705
Net increase in cash and cash equivalents	57,244	18,705
Cash and cash equivalents at beginning of year	66,095	47,390
Cash and cash equivalents at end of year	123,339	66,095

The notes on pages 8 to 13 form part of these financial statements

London Contemporary Orchestra Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31st August 2019

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Suite 116, 43 Bedford Street, Covent Garden, London, United Kingdom, WC2E 9HA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Going concern

The Covid-19 pandemic has had a major effect on our operational model leading to a drastic decline in revenues. To manage this, we are utilising the furlough system until its completion and in anticipation of that moment in time will consider what number of salaried staff we can support from our activities. The key dependencies of this are: 1. possible core or emergency funding, 2. the re-opening of recording studios, 3. re-opening of concert halls. We have created an emergency plan to hibernate the orchestra thereby ensuring its survival as a going concern, should there be no suitable prospects across the three areas mentioned.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

Fund accounting

The unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

London Contemporary Orchestra Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st August 2019

Incoming resources

Income from grants, patrons and members is accounted for on a receivable basis. Income from charitable activities is shown gross with the associated costs included in direct charitable costs, net of value added tax.

4. Limited by guarantee

The liability of the 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, for payment of the debts and liabilities of the company contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2019 £	2018 £
Donations	16,050	—	16,050	51,093
Grants & awards	—	43,500	43,500	66,150
	<u>16,050</u>	<u>43,500</u>	<u>59,550</u>	<u>117,243</u>

6. Charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total Funds 2019 £	Unrestricted funds 2018 £	Total Funds 2018 £
Performance fees	794,831	—	794,831	615,041	615,041
Commission on royalties	—	—	—	10,300	10,300
Tickets and other sales	—	—	—	2,953	2,953
	<u>794,831</u>	<u>—</u>	<u>794,831</u>	<u>628,294</u>	<u>628,294</u>

7. Other income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Other income receivable	<u>29,796</u>	<u>29,796</u>	<u>9,770</u>	<u>9,770</u>

This relates to orchestral tax relief.

8. Costs of raising donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Fundraising & publicity	<u>5,000</u>	<u>6,000</u>	<u>11,000</u>	<u>5,508</u>

London Contemporary Orchestra Limited

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Notes to the Financial Statements *(continued)*

Year ended 31st August 2019

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Charitable activities expenses	735,115	17,325	756,440	606,158
Commission on royalties	30,832	—	30,832	10,551
Support costs	81,124	209	81,332	47,679
	<u>836,803</u>	<u>17,534</u>	<u>868,604</u>	<u>664,388</u>

10. Expenditure on charitable activities by activity type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Charitable activities expenses	724,847	17,325	756,440	606,158
Commission on royalties	30,832	—	30,832	10,551
Support costs	81,124	209	81,332	47,679
	<u>836,803</u>	<u>17,534</u>	<u>868,604</u>	<u>664,388</u>

11. Analysis of support costs

	Performance & promotion of music £	Employment & education of young £	Governance costs £	Total 2019 £	Total 2018 £
Governance costs	24,259	14,540	19,895	58,693	39,806
Finance costs			440	440	(97)
Communications & IT	11,100	5,550	5,550	22,199	7,970
	<u>35,359</u>	<u>20,090</u>	<u>25,885</u>	<u>81,332</u>	<u>47,679</u>

12. Independent examination fees

	2019 £	2018 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	1,750	1,750
Other financial services	9,500	6,953
	<u>11,250</u>	<u>8,703</u>

London Contemporary Orchestra Limited

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Notes to the Financial Statements *(continued)*

Year ended 31st August 2019

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019	2018
	£	£
Wages and salaries	21,956	7,970
Employer contributions to pension plans	243	–
	<u>22,199</u>	<u>7,970</u>

The average head count of employees during the year was 2 (2018: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2019	2018
	No.	No.
Number of staff - admin	<u>2</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

14. Director remuneration and expenses

During the year, commissions and consultancy fees amounting to £41,325 net (2018: £48,964) were paid to Strix Nebulosa Limited, a company where F Mostyn-Williams is a director and shareholder. Expenses have been reimbursed to one director totalling £588 for travel and subsistence costs (2018 - £970). Mr F Mostyn – Williams is a director of the London Contemporary Orchestra Limited.

15. Debtors

	2019	2018
	£	£
Trade debtors	84,497	24,630
Prepayments and accrued income	24,818	10,931
Other debtors	41,797	12,171
	<u>151,112</u>	<u>47,732</u>

16. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	89,236	34,204
Accruals and deferred income	104,687	20,080
Social security and other taxes	15,276	132
Other creditors	1,892	624
	<u>211,091</u>	<u>55,040</u>

17. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £243 (2018: £Nil).

London Contemporary Orchestra Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st August 2019

18. Analysis of charitable funds

Unrestricted funds

	At 1st September 2018 £	Income £	Expenditure £	At 31st August 2019 £
Unrestricted fund	<u>32,588</u>	<u>840,677</u>	<u>(856,070)</u>	<u>17,195</u>

	At 1st September 2017 £	Income £	Expenditure £	At 31st August 2018 £
Unrestricted fund	<u>(43,123)</u>	<u>729,407</u>	<u>(653,696)</u>	<u>32,588</u>

Restricted funds

	At 1st September 2018 £	Income £	Expenditure £	At 31st August 2019 £
Restricted Fund	<u>26,199</u>	<u>43,500</u>	<u>(23,534)</u>	<u>46,165</u>

	At 1st September 2017 £	Income £	Expenditure £	At 31st August 2018 £
Restricted Fund	<u>16,499</u>	<u>25,900</u>	<u>(16,200)</u>	<u>26,199</u>

Restricted and Unrestricted Projects

The orchestra was fortunate to receive a variety of support from organisations such as Arts Council England, the Cockayne Foundation and the PRS Foundation to present experimental and ambitious performances such as:

- Other Worlds at the Barbican Concert Hall which featured a 100 piece orchestra behind a translucent mesh onto which the first ever live audio-reactive visuals from a GAN AI were projected.
- GUSH with Hannah Perry which combined our musicians with contemporary dancers and composer-musicians Coby Sey and Mica Levi to make a unique new show.
- Gleann Cuinn, a new commission from Claire Singer presented at the PRSF New Music Biennale.
- A four part collaboration with Erased Tapes Records presented at the Purcell Room in the Southbank Centre.

In addition to the above we undertook a large number of other unrestricted projects in both live and recording work which were paid for by fees and ticket sales.

London Contemporary Orchestra Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31st August 2019

19. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
Current assets	228,286	46,165	274,451	113,827
Creditors less than 1 year	(211,091)	—	(211,091)	(55,040)
Net assets	<u>17,195</u>	<u>46,165</u>	<u>63,360</u>	<u>58,787</u>

20. Related parties

Related parties as per disclosure in note 14 above.