

Registered Charity Number: 1142075 (England and Wales)
Registered company number: 07542466

**THE CHORAL FOUNDATION
THE CHAPEL ROYAL
HAMPTON COURT PALACE**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

THE CHORAL FOUNDATION, THE CHAPEL ROYAL, HAMPTON COURT PALACE

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

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THE CHORAL FOUNDATION, THE CHAPEL ROYAL, HAMPTON COURT PALACE

COMPANY INFORMATION

| | |
|---|---|
| Trustees | Jonathan Round (Chairman) Peter Havelock (Treasurer) Peter Menneer Canon Denis Mulliner Richard Rothwell Deborah Fearn David Wright |
| Secretary | Richard Champness |
| Company number | 07542466 |
| Charity number | 1142075 (England and Wales) |
| Registered office and Business address | The Chapel Royal Hampton Court Palace East Molesey Surrey KT8 9AU |
| Independent examiners | UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW |
| Bankers | Coutts & Co 440 Strand London WC2R 0QS |

THE CHORAL FOUNDATION, THE CHAPEL ROYAL, HAMPTON COURT PALACE

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees present their annual report and the unaudited financial statements for the year ended 31 August 2015.

Legal status and reporting requirements

The Choral Foundation, The Chapel Royal, Hampton Court Palace ("The Choral Foundation") is a company limited by guarantee, having no share capital. The registered company number is 07542466.

The Choral Foundation is a registered charity. The registered charity number is 1142075 (England and Wales).

The directors of the company for the purposes of company law are also the Trustees of the charity for the purposes of charity law, and the members of the company who have guaranteed to contribute £1 each to the assets of the company in the event of winding up.

The annual report and financial statements are presented in the format required by the Statement of Recommended Practice "Accounting and Reporting by Charities (revised 2005 and 2008)" and in accordance with the requirements of the Companies Act 2006.

Objectives

The Choral Foundation preserves and promotes the unique heritage of English choral music at the Chapel Royal, Hampton Court Palace and makes it accessible to all.

The objects of the charity are:

- the advancement of the Christian religion in accordance with the principles of the Church of England by the maintenance and enhancement of a choir through the education and training of choristers and by maintaining the choral traditions of the Chapel Royal;
- to promote the art of choral music for the public benefit; and
- to advance the education of the choristers of the Chapel Royal for the public benefit.

Review of activities

Fundraising

The 2014 to 2015 financial year marked the start of a new stage in the Choral Foundation's development and fundraising activity. This has enabled the charity to bring its aims to the attention of audiences, donors and sponsors at a broader national and international level.

The year was dominated by preparations for, participation in and delivery of projects for "HCP500", the celebrations for the 500th anniversary of Hampton Court Palace. The Choral Foundation and the Hampton Court Chapel Royal choir featured in a BBC 4 documentary with Lucy Worsley and David Starkey, a BBC Radio 3 Early Music programme about the development of sacred choral music during the Tudor period, a live BBC 1 "The One Show" broadcast from the Chapel, and in the Aardman Animations film "Royals, Rascals and Us" - its soundtrack specially composed to reflect 500 years of choral music at Hampton Court. In addition, the Choral Foundation and Historic Royal Palaces jointly commissioned a new anthem to mark the 500th celebrations, and to extend the unique heritage of composition of English choral music by leading composers of their time. "Praise Him with Trumpets" was composed by Judith Weir CBE, Master of The Queen's Music.

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2015

The series of weekly Sunday lunchtime music recitals also continued, enabling Hampton Court Palace visitors to experience the musical heritage of the chapel, to learn more about the work of the Choral Foundation, and to donate.

Significant efforts were made during the year to revisit the Choral Foundation's donor base, to provide information events, and to encourage further support. This proved very successful, and an opportunity for the Foundation to advertise, and build upon, its success.

Trusts and Foundations activity continued, supported by Fundraising Consultants to identify potential funders, and to make applications for grants to support the recruitment and education of the choristers. Overall, the Choral Foundation raised a further £325,000 in pledges over this year, taking us to a total pledged sum of £1,270,000 – 85% of our original target.

Operations

The team continues to perform at a high standard. Michele Price's role was promoted to Director of Development, in recognition of her focus upon fundraising, development and outreach. She is supported by a small volunteer administration team, which assists with operational, bookkeeping and event management activities. A volunteer committee supports fundraising activities, marketing and PR.

The management of our wide donor base and regular bookkeeping has been enhanced by the database system, which came fully into production this year.

The Choral Foundation has benefited greatly from its positive working relationship with Historic Royal Palaces, and joint events during the "HCP500" year have been very successful. The new relationship with the Genesis Foundation has also become increasingly important.

Charitable Grants and Outreach

The Choral Foundation continues to make grants totalling some £17,000 per annum made up of bursaries to each chorister towards the cost of music lessons and charitable grants to support the Director of Music, organist and organ scholar.

Outreach and education remains an important part of the Foundation's work. We have helped the choir attract choristers from a broad range of backgrounds, and to provide them with a first class musical education. We also participated in the BBC Ten Pieces project to bring ten well-known pieces of classical music to the attention of every junior school child. In this the Foundation worked with The Sixteen and 300 children from inner London schools.

We continue to deliver the commitments we have made in our objects.

Financial Review

As well as contributing £17,000 towards the running of the choir and music in the chapel, the Choral Foundation added £54,000 to Reserves during the financial year, taking total Reserves to £258,000. Our key objective is to raise an endowment to preserve the future of the music in the chapel, and we continue to make good progress towards this ambition.

As part of the completion of this year's final accounts, the Trustees have transferred £14,200 from Restricted to Unrestricted Funds. These funds were Restricted to the purpose of the education of Choristers, and as the

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2015

Foundation has now invested more than this sum in singing lessons for the Choristers, the Trustees agree that these funds have now been spent.

Governance and management

The Choral Foundation is governed by a Board of seven Trustees who are committed to the objects of the charity. Board member expertise includes finance, investment, risk, management, religion, music, and information technology. The Chairman, the Company Secretary and Trustee Canon Denis Mulliner are members of The Executive Fundraising Committee. The Director of Development reports to the Chairman.

The Choral Foundation is a Company Limited by Guarantee, and is governed by its Memorandum and Articles of Association. Trustees are recruited through an open advertising process, and appointed by the Board at a quarterly meeting. New trustees are introduced to the Choral Foundation through an induction process.

The Trustees have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission with regard to public benefit.

Risk management

The Trustees review risk management annually. This involves identifying the types of risk the charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. As part of this process the Trustees keep the adequacy of the charity's internal controls under review.

Disclosure of information to examiner

Each of the persons who is a Trustee as at the date of approval of this report confirms that:

- so far as the trustee is aware, there is no relevant information of which the charitable company's examiner is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant information and to establish that the charitable company's examiner is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Trustees' responsibilities

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in operation.

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**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Jonathan Round

Chair

9th March 2016

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE CHORAL FOUNDATION, THE CHAPEL ROYAL, HAMPTON COURT PALACE

I report on the accounts of the company for the year ended 31 August 2015, which are set out on pages 7 to 14.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) or Part 16 of the Companies Act 2006, and that an independent examination is needed. I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

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.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts with 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.



Subarna Banerjee
UHY Hacker Young
London

23 March 2016

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**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2015**

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|---|------|----------------------------|--------------------------|--------------------|--------------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income | | 125,593 | - | 125,593 | 135,124 |
| Activities for generating funds | | 17,736 | - | 17,736 | 37,376 |
| Investment income | | 681 | - | 681 | 355 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total incoming resources | 2 | 144,010 | - | 144,010 | 172,855 |
| Resources expended | | | | | |
| Costs of generating funds | | | | | |
| Charitable activities | | 30,654 | - | 30,654 | 39,345 |
| Governance costs | | 58,367 | - | 58,367 | 57,262 |
| | | 1,000 | - | 1,000 | 1,000 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total resources expended | 3 | 90,021 | - | 90,021 | 97,607 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net income for the year | | 53,989 | - | 53,989 | 75,248 |
| Total funds brought forward | | 189,360 | 14,200 | 203,560 | 128,312 |
| Gross transfers between funds | 7 | 14,200 | (14,200) | - | - |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total funds carried forward 31 August 2015 | 7 | <u>257,549</u> | <u>-</u> | <u>257,549</u> | <u>203,560</u> |

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 notes on pages 9 to 14 form part of these financial statements.

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**BALANCE SHEET
AS AT 31 AUGUST 2015**

| | Note | 2015 £ | 2014 £ |
|--|------|-----------|-----------|
| Fixed assets | | | |
| Intangible assets | 4 | 2,824 | 4,232 |
| Current assets | | | |
| Debtors | 5 | 16,595 | 16,836 |
| Cash at bank | | 240,930 | 183,554 |
| | | 257,525 | 200,390 |
| Liabilities | | | |
| Creditors: amounts falling due within one year | 6 | 2,800 | 1,062 |
| Net current assets | | 254,725 | 199,328 |
| Total assets less current liabilities | | 257,549 | 203,560 |
| The funds of the charity | | | |
| Unrestricted funds | | 257,549 | 189,360 |
| Restricted funds | | - | 14,200 |
| Total funds | 7 | 257,549 | 203,560 |

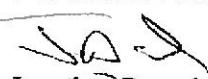
For the financial year ended 31 August 2015, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

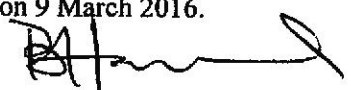
Directors' responsibilities:

- 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.

The financial statements were approved by the Board of Trustees on 9 March 2016.


Jonathan Round
Chair


Peter Havelock
Treasurer

The notes on pages 9 to 14 form part of these financial statements.
Company Registration Number: 07542466

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1. Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

a) Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 2006, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" and applicable accounting standards.

b) Accounting reference period

The financial statements cover the year ended 31 August 2015. The comparative figures cover the year ended 31 August 2014.

c) Cash flow statement

The charity, as a small reporting entity, is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised) "Cash Flow Statements".

d) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the charity.

Restricted income funds are funds subject to specific restrictions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements.

e) Incoming resources

All income is accounted for as soon as the charity has entitlement to the income, there is certainty of receipt and the amount is quantifiable.

Legacies are regarded as receivable when the legacy has been received or, if before receipt, when there is sufficient evidence to provide the necessary certainty that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' Annual Report.

f) Resources expended

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources.

Governance costs are those incurred in connection with the charity's compliance with its constitutional and statutory requirements.

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**NOTES TO THE FINANCIAL STATEMENTS
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g) VAT

Where appropriate, expenditure includes irrecoverable value added tax.

h) Intangible assets

Intangible assets include the purchase of database software. This asset has been capitalised as an intangible asset at cost and is being amortised over a three year period, which is considered to represent the useful economic life of the software.

2. Incoming resources

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|----------------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Voluntary income: | | | | |
| Individual donations | 111,393 | - | 111,393 | 74,624 |
| Donations from charitable trusts | 14,200 | - | 14,200 | 55,500 |
| Legacies | - | - | - | 5,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 125,593 | - | 125,593 | 135,124 |
| Activities for generating funds: | | | | |
| Choral events | 17,736 | - | 17,736 | 37,376 |
| Investment income: | | | | |
| Interest receivable | 681 | - | 681 | 355 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total incoming resources | <u>144,010</u> | <u>-</u> | <u>144,010</u> | <u>172,855</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

3. Resources expended

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|---------------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Costs of generating funds: | | | | |
| Fundraising consultancy | 4,836 | - | 4,836 | 5,346 |
| Design and advertising | 6,699 | - | 6,699 | 5,112 |
| Costs of choral events | 19,119 | - | 19,119 | 28,887 |
| | <u>30,654</u> | <u>-</u> | <u>30,654</u> | <u>39,345</u> |
| Governance costs: | | | | |
| Examiner's remuneration | 1,000 | - | 1,000 | 1,000 |
| Charitable activities: | | | | |
| Tuition costs | 12,346 | - | 12,346 | 8,546 |
| General support costs | 46,021 | - | 46,021 | 48,716 |
| | <u>58,367</u> | <u>-</u> | <u>58,367</u> | <u>57,262</u> |
| Total resources expended | <u><u>90,021</u></u> | <u><u>-</u></u> | <u><u>90,021</u></u> | <u><u>97,607</u></u> |

The only material item within general support costs relates to the cost of the Director of Development (£23,000). All other support costs are fundraising related costs.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

4. Intangible assets

| | Database software £ | 2015 total £ |
|-------------------------|---------------------------|--------------------|
| Cost | | |
| At 1 September 2014 | 4,232 | 4,232 |
| Additions in the period | - | - |
| | <hr/> | <hr/> |
| At 31 August 2015 | 4,232 | 4,232 |
| Amortisation | | |
| At 1 September 2014 | - | - |
| Charge in the year | 1,408 | 1,408 |
| | <hr/> | <hr/> |
| At 31 August 2015 | 1,408 | 1,408 |
| Net book value | | |
| At 31 August 2015 | 2,824 | 2,824 |
| | <hr/> | <hr/> |
| At 31 August 2014 | 4,232 | 4,232 |
| | <hr/> | <hr/> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

5. Debtors

| | 2015 £ | 2014 £ |
|---------------------|---------------|---------------|
| Gift Aid receivable | 15,000 | 16,836 |
| Other | 1,595 | - |
| | <u>16,595</u> | <u>16,836</u> |

6. Creditors: Amounts falling due within one year

| | 2015 £ | 2014 £ |
|------------------------------|--------------|--------------|
| Other creditors | 1,000 | 1,000 |
| Accruals and deferred income | 1,800 | 62 |
| | <u>2,800</u> | <u>1,062</u> |

7. Total funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the charity.

The Trustees intend to secure an endowment fund, the income from which will fund the choristers' music lessons and the Gentlemen's (professional musicians') fees. The restricted funds have been provided for eventual inclusion in the endowment fund.

A gross transfer between funds of £14,200 was undertaken during the year. These funds were originally classified as restricted funds when the donations were provided to the Foundation to provide singing lessons for choristers. However, since the donations have been provided, the Foundation has subsidised such singing lessons over the past three years to a sum exceeding this amount. The trustees believe that it is now prudent to write down the restricted reserve.

Fund balances as at 31 August 2015 are represented as follows:

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|-------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Intangible fixed assets | 2,824 | - | 2,824 | 4,232 |
| Debtors | 16,595 | - | 16,593 | 16,836 |
| Cash at bank | 240,930 | - | 240,930 | 183,554 |
| Creditors | (2,800) | - | (2,800) | (1,062) |
| | <u>257,549</u> | <u>-</u> | <u>257,549</u> | <u>203,560</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. Trustees and employees

No Trustee received a salary or any reimbursement of expenditure.

The average monthly number of employees during the year was:

| | 2015 Number | 2014 Number |
|-------------------------|------------------------|------------------------|
| Administration | 0 | 1 |
| | ===== | ===== |
| Employment costs | | |
| | £ | £ |
| Wages and salaries | - | 10,299 |
| Social security costs | - | 2,558 |
| | ----- | ----- |
| | - | 12,857 |
| | ===== | ===== |

9. Charitable status

The Choral Foundation, The Chapel Royal, Hampton Court Palace is a charity registered under the Charities Act 1993, no. 1142075. As such the charity is entitled to take advantage of the exemptions granted under section 478 of the Corporation Tax Act 2010.

10. Related party transactions

There were no related party transactions during the year.

11. Capital commitments

As at 31 August 2015 there were no capital commitments.