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THE D'OYLY CARTE OPERA TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31ST DECEMBER 1988

THE D'OYLY CARTE OPERA TRUST LIMITED

REPORT OF THE TRUSTEES

The Trustees have pleasure in submitting their Report and the Financial Statements for the nine months to 31st December 1988.

ACTIVITIES OF THE TRUST

The main activities of the Trust have been the production of Gilbert & Sullivan operas and the raising of funds to finance these. The two operas produced in the spring and summer of 1988, in the first season since the Company's re-launch, were 'Iolanthe' and 'The Yeomen of the Guard'.

In addition, the Trust continues to receive royalties from recordings and income from the hire of band parts.

REVIEW OF FINANCIAL RESULTS AND FUTURE ACTIVITIES

The income and expenditure account, which is set out on page 4, shows a net operating deficit of £305,631 (March 1988 - a surplus of £85,796).

The other income received amounted to £239,982 and included a sponsorship of £75,000 from British Midland Airways and other donations totalling £164,982

Administrative expenses amounted to £88,451 and were largely attributable to the costs of producing the two operas, management costs, planning for future seasons and fund raising.

In 1989, the Trust has produced a further two operas, 'The Pirates of Penzance' and 'The Mikado', which have been performed both in the provinces and in London.

THE D'OYLY CARTE OPERA TRUST LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

TRUSTEES

The Trustees for the nine months ended 31st December 1988 were:

Mr. R. Allen (USA) (died July 1988)
Lord Armstrong of Ilminster, GCB, CVO
Mr. Richard Baker, OBE, RD
Mr. M. D. Bishop, CBE
Mr. J. M. Haldane
Sir Edmund Liggins, TD
Mr. Colin Prestige
Sir Anthony Tuke
Lord Wilson of Rievaulx, KG, OBE, FRS
Sir Hugh Wontner, GBE, CVO

Lord Armstrong and Mr. Prestige retire by rotation under Article 43 of the Articles of Association and being eligible offer themselves for re-election. Sir Edmund Liggins also retires by rotation under Article 43 of the Articles of Association and, special consent having been received under Section 293 of the Companies Act 1985 since he has reached the age of 80, offers himself for re-election.

AUDITORS

Harper Broom Roberts have indicated their willingness to continue as auditors. Accordingly a resolution, in accordance with Section 384 of the Companies Act 1985, proposing their re-appointment will be put to the Annual General Meeting.

By Order of the Board

Secretary

THE D'OYLY CARTE OPERA TRUST LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the Financial Statements on pages 4 to 11 in accordance with approved Auditing Standards.

In our opinion, the Financial Statements, which have been prepared under the historical cost convention, give a true and fair view of the Company's affairs at 31st December 1988 and of its deficit and source and application of funds for the period ended on that date and comply with the Companies Act 1985.

5 Bloomsbury Place
London WC1A 2PS

HARPER BROOM ROBERTS
Chartered Accountants

THE D'OYLY CARTE OPERA TRUST LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE NINE MONTHS ENDED 31ST DECEMBER 1988

	Note	31st December 1988 £	31st March 1988 £
Production Receipts		773,980	-
Production Costs		1,301,679	35,431
Deficit on Productions		(527,699)	(35,431)
Other Income		239,982	84,051
		(287,717)	48,620
Administrative Expenses	3	88,451	72,855
Deficit for Year		(376,168)	(24,235)
Investment Income		71,494	110,140
Net (Deficit)/Surplus before Taxation		(304,674)	85,905
Taxation	9	957	109
Net (Deficit)/Surplus after Taxation		£(305,631)	£85,796

The Notes on pages 7 to 11 form part of these Financial Statements.

THE D'OYLY CARTE OPERA TRUST LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1988

	Note	31st December 1988 £		31st March 1988 £	
FIXED ASSETS:	5		104,502		-
CURRENT ASSETS:					
Stocks	2b	4,362		4,500	
Debtors	6	73,713		95,553	
Investments	7	249,145		249,145	
Short term deposits		663,476		962,451	
Cash at bank & in hand		30,964		34,823	
		1,021,660		1,346,472	
CREDITORS - Amounts falling due within within 1 year:					
Creditors	8	34,730		50,366	
Corporation tax		1,066		109	
		35,796		50,475	
NET CURRENT ASSETS:			985,864		1,295,997
			£1,090,366		£1,295,997
CAPITAL FUND ACCOUNTS					
Gift from Dame Bridget D'Oyly Carte	10		1,183,606		1,083,606
Income and Expenditure Account	11		(93,240)		212,391
			£1,090,366		£1,295,997

These Financial Statements were approved by the Board of Trustees on 23rd October 1989.

[signature]) Trustees
[signature])

The Notes on pages 7 to 11 form part of these Financial Statements

THE D'OYLY CARTE OPERA TRUST LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

31ST DECEMBER 1988

		31st December 1988 £		31st March 1988 £
SOURCES OF FUNDS				
(Deficit)/Surplus of the Trust for the year before taxation		(304,674)		85,905
Adjustment for Items not including the movement of funds:				
Depreciation		572		-
		(304,102)		
Freehold from Estate of the late Dame Bridget D'Oyly Carte		100,000		-
		204,102		
APPLICATIONS OF FUNDS				
Acquisition of Freehold	100,000			
Fixed Assets purchased	5,074			
Corporation tax paid	-		49	
		105,074		49
		£309,176		£85,856
INCREASE/(DECREASE) IN WORKING CAPITAL				
Stocks		(138)		(508)
Debtors		(21,840)		79,776
Creditors		15,635		(25,104)
		(6,343)		54,164
Movement in Liquid Funds:				
Bank balances		(3,858)		25,560
Short term deposits		(298,975)		6,132
		£309,176		£85,856

The Notes on pages 7 to 11 form part of these Financial Statements.

THE D'OYLY CARTE OPERA TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER 1988

7. GENERAL

(a) The Company is incorporated under the Companies Act 1948, as a company limited by guarantee and not having a share capital. Members of the Company are liable for the debts and liabilities of the Company up to an amount not exceeding £1 each. There were twelve members of the Company at 31st December 1988. Under the terms of the Trust's Articles of Association no part of the income or property of the Trust can be distributed to Members.

(b) The Company is registered as a charity under the Charities Act 1960, and claims for exemption from taxation on non-trading income have been accepted under Section 360 of the Income and Corporation Taxes Act 1970.

(c) Under the terms of an assignment dated 21st February 1961 from the liquidator of the D'Oyly Carte Opera Company Limited to this Company, the following rights and assets were transferred to this Company in respect of a holding of 5,000 Shares in the Company in liquidation which shares had been donated to the Company by Dame Bridget D'Oyly Carte:

(i) All agreements which the D'Oyly Carte Opera Company Limited had entered into with regard to broadcasting, film and record rights.

(ii) All costumes, scenery, band parts and prompt books relating to Gilbert & Sullivan Operas and 'Cox and Box'.

(iii) All the goodwill of the business of producing Gilbert & Sullivan Operas.

No value has been placed on any of these assets, nor on any other fixed assets purchased between 1961 and 31st March 1988.

(d) Included in fixed assets is the original score of the opera 'Iolanthe'.

THE D'OYLY CARTE OPERA TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. ACCOUNTING POLICIES

The following significant accounting policies were used in the preparation of these Financial Statements.

(a) Basis of Accounting:
The Financial Statements have been prepared under the historical cost basis of accounting.

(b) Stock:
Stock is valued at the lower of cost and net realisable value.

(c) Royalties:
Owing to the inevitable delay in determining royalties due for any period, they are dealt with on a cash basis.

(d) Fixed assets:
Fixed assets acquired since 1st April 1988 have been valued at cost and are depreciated at 20% per annum on the written down value. No depreciation has been charged on freehold property.

(e) Donations:
Donations are brought to account on a cash received basis.

(f) Production Costs:
Expenditure incurred in respect of productions is charged against revenue arising in the period during which the production first takes place.

3. ADMINISTRATIVE EXPENSES

		31st December 1988 £		31st March 1988 £
Auditors' remuneration		2,750		1,200
Depreciation		572		-
Staff costs:				
Wages and salaries	38,657		69,243	
Social security	882		1,628	
Other pension costs	804		2,820	
		40,343		73,691
Other expenses		77,531		50,333
		121,196		125,224
Less Income received		32,745		52,369
		£88,451		£72,855

THE D'OYLY CARTE OPERA TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. TRUSTEES EMOLUMENTS

Under the terms of the Memorandum of Association emoluments cannot be paid to the Trustees.

5. FIXED ASSETS

COST	Freehold Property £	Furniture & Equipment £	Total £
Additions	100,000	5,074	105,074
As at 31.12.88	£100,000	£5,074	£105,074
DEPRECIATION			
Charge for year	-	572	572
As at 31.1288	£ -	572	572
Net Book Value:			
As at 31.1288	£100,000	£4,502	£104,502

6. DEBTORS

Amounts falling due within one year

	31st December 1988 £	31st March 1988 £
Trade Debtors	25,934	711
Other Debtors	2,000	7,978
Income tax recoverable	16,665	10,893
Prepaid production costs	3,960	48,561
Prepayments and accrued income	25,154	27,410
	£73,713	£95,553

7. INVESTMENTS

Listed Investments at Probate Value	£249,145	£249,145
Market Value of Investments at 31st December 1988	£348,512	£364,333

8. CREDITORS

Amounts falling due within one year

	31st December 1988 £	31st March 1988 £
Trade creditors	13,612	16,524
Other taxation and social security	1,170	3,129
Accruals and deferred income	19,948	30,713
	£34,730	£50,366

9. TAXATION

UK taxation at 25% on profits arising on sales of stocks to associate members:

Charge for year	£957	£109
Payable	£1,066	£109

10. GIFT FROM DAME BRIDGET D'OYLY CARTE

Balance at 1st April 1988	1,083,606	1,083,606
Received from the residue of the Estate:		
Freehold Property	100,000	-
Balance at 31st December 1988	£1,183,606	£1,083,606

11. INCOME AND EXPENDITURE ACCOUNT

Balance at 1st April 1988	212,391	126,595
(Deficit)/Surplus for the period	(305,631)	85,796
Balance at 31st December 1988	£(93,240)	£212,391

12. CONTINGENT LIABILITY

The Executors of Dame Bridget D'Oyly Carte have transferred shares and other property to the Trust, comprising the residue of the estate, prior to the completion of the administration. Accordingly, the Trust has granted an indemnity to the Executors in respect of any further liabilities not provided for at the date of transfer. It is not currently expected that any amount will be payable under this indemnity.