

**The D'Oyly Carte Opera Trust
Limited**

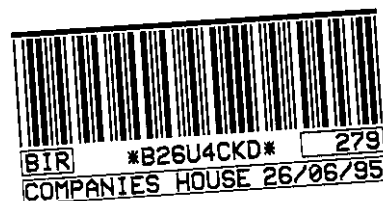
- a company limited by guarantee

Trustees' report and financial statements

31 December 1994

Registered number 682766

Registered charity number 200024



The D'Oyly Carte Opera Trust Limited
- a company limited by guarantee

Trustees' report and financial statements

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The D'Oyly Carte Opera Trust Limited

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Trustees' report

The trustees present their report and financial statements for the year ended 31 December 1994.

Trustees

The trustees who served during the year, and subsequently to the date of this report, were:

Mr Richard Baker OBE, RD	
Sir Michael Bishop CBE	
Mr Colin Prestige	
Mr Martin Radcliffe	
Lord Wilson of Rievaulx KG, OBE, FRS	(deceased 24 May 1995)
Councillor Renee Spector	(appointed 6 December 1994)
Councillor Ken Barton	(resigned 18 July 1994)

The trustees constitute directors of the company for Companies Act purposes.

The Rt. Hon Lord Wilson of Rievaulx, KG, OBE, FRS, who was appointed a trustee in 1976, died on 24 May 1995 having given long and valued service to the Trust.

Principal activities

The principal activities of the company are the production of Gilbert and Sullivan and other Operas and the raising of funds to support these. In 1994 the company produced Gilbert and Sullivan's HMS Pinafore and Johann Strauss' Die Fledermaus for a nationwide tour lasting 13 weeks.

Review of the business

The results for the year are set out in the income and expenditure account on page 5.

The company's production receipts for the year amounted to £732,168 (1993: £1,335,187). The decrease in receipts results from the decision not to undertake a summer tour in the year. The reduced level of activity in the year is reflected in reduced production costs of £960,081 (1993: £1,781,715) and a reduced deficit on productions of £227,913 (1993: £446,528).

The company benefitted from an increased level of grants from charitable foundations during the year, resulting in an increase in other operating income to £315,774 (1993: £290,895).

Tangible assets

Movements in tangible fixed assets are shown in note 7 to the financial statements.

Subsequent events and future developments

The company was informed in February 1995 that its application to the Sports and Arts Foundation for an award of £125,000 has been successful.

The D'Oyly Carte Opera Trust Limited

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Trustees' report *(continued)*

Status of the company

As explained more fully in Note 1 on page 7, the company is limited by guarantee and is a registered charity.

The company is exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name.

In accordance with Section 385 of the Companies Act 1985 a resolution for the re-appointment of KPMG as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Signed for and on behalf of the trustees



M Kitson
Secretary

1 Savoy Hill
LONDON
WC2R 0BP

1 June 1995

The D'Oyly Carte Opera Trust Limited

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Statement of Trustees' responsibilities

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the loss for that year. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



2 Cornwall Street
Birmingham B3 2DL

Auditors' report to the members of The D'Oyly Carte Opera Trust Limited

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of Trustees and auditors

As described on page 3 the company's trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1994 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

1 June 1995

*Chartered Accountants
Registered Auditors*

The D'Oyly Carte Opera Trust Limited

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Income and expenditure account
for the year ended 31 December 1994

	Note	1994 £	1993 £
Production receipts	2	732,168	1,335,187
Production costs		(960,081)	(1,781,715)
Deficit on productions		(227,913)	(446,528)
Administrative expenses	2	(296,522)	(226,016)
Other operating income		315,774	290,895
Operating deficit	3	(208,661)	(381,649)
Income from fixed asset listed investments		400	400
Interest receivable and similar income	4	-	1,702
Interest payable and similar charges	5	(12,040)	(7,833)
Retained deficit before and after taxation transferred from reserves	13	(220,301)	(387,380)

Production receipts and results reported above all relate to continuing activities.

A statement of movement in funds is shown in note 13 on page 11.

Statement of recognised gains and losses

There were no recognised gains or losses during the current and preceding years attributable to the company other than the deficit for the year of £220,301 (1993: deficit of £387,380).

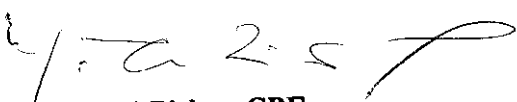
The D'Oyly Carte Opera Trust Limited

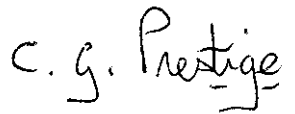
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Balance sheet
at 31 December 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Tangible assets	7		38,825		46,748
Investments	8		2,800		2,800
			<u>41,625</u>		<u>49,548</u>
Current assets					
Stock	9	13,486		11,880	
Debtors	10	210,081		115,380	
Cash		6,840		10,198	
		<u>230,407</u>		<u>137,458</u>	
Creditors: amounts falling due within one year	11	<u>(385,533)</u>		<u>(305,206)</u>	
Net current liabilities			<u>(155,126)</u>		<u>(167,748)</u>
Total assets less current liabilities			<u>(113,501)</u>		<u>(118,200)</u>
Creditors: amounts falling due in more than one year	12		<u>(225,000)</u>		<u>-</u>
Net liabilities			<u>(338,501)</u>		<u>(118,200)</u>
Capital and reserves					
Gift of Dame Bridget D'Oyly Carte			1,197,789		1,197,789
Income and expenditure account	13		<u>(1,536,290)</u>		<u>(1,315,989)</u>
			<u>(338,501)</u>		<u>(118,200)</u>

These financial statements were approved by the trustees on 1 June 1995 and were signed on their behalf by:


Sir Michael Bishop CBE
Trustee


C. G. Prestige
Trustee

The D'Oyly Carte Opera Trust Limited

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Notes

(forming part of the financial statements)

1 Status of the company

The Company is limited by guarantee. Each member of the company has undertaken to contribute up to £1 to the company's assets if the company should be wound up.

The members of the company are:

Mr Richard Baker OBE, RD
Sir Michael Bishop CBE
Mr Colin Prestige
Mr Martin Radcliffe
Councillor Renee Spector
Lord Wilson of Rievaulx KG, OBE, FRS

The company is registered as a charity under the Charities Act 1960 (registration number 200024).

2 Accounting policies

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

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards using the historical cost convention.

The financial statements are drawn up using the going concern assumption on the basis of undertakings to support the company given by The Sir Michael Bishop Foundation.

The company has taken advantage of the exemption in Financial Reporting Standard 1 from preparing a cash flow statement as a small company.

Grants

Revenue grants are credited to the income and expenditure account in the year to which they relate.

Revenue

Production receipts represents the Company's share of box office receipts excluding Value Added Tax.

Other operating income represents grants, donations, deeds of covenant and gifts to the trust.

Production costs

Costs of design and construction of sets, props and costumes are charged to expenditure over the period of the relevant tour. Other costs of preparation for productions are written off in the year in which they arise.

The D'Oyly Carte Opera Trust Limited

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Notes (continued)

2 Accounting policies (continued)

Depreciation

Depreciation has been provided to write off the cost less residual value of fixed assets over their estimated useful lives as follows:

Furniture, fixtures and equipment	20% per annum on a straight line basis
Motor vehicles	20% per annum on a straight line basis

Theatrical lighting is depreciated at the rate of £90 per week of use.

Stock

Stock has been valued at the lower of cost and net realisable value.

Taxation

The company as a registered charity is exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988.

Investments

Fixed asset investments are stated at cost less provision for any permanent diminution in value. Market value is based on the closing middle market price on a recognised stock exchange.

3	Operating deficit	1994 £	1993 £
	The operating deficit is stated after charging/(crediting) the following:		
	Depreciation	9,139	9,807
	Income from sale of merchandise, royalty and sundry income	(127,054)	(148,056)
	Auditors' remuneration	4,500	4,500
	Plant and equipment operating lease charges	2,595	1,898
4	Interest receivable and similar income	1994 £	1993 £
	Bank interest	-	1,702

The D'Oyly Carte Opera Trust Limited
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Notes (continued)

5 Interest payable and similar charges

1994	1993
£	£

Bank overdraft interest	<u>12,040</u>	<u>7,833</u>
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6 Staff costs

1994	1993
£	£

Wages and salaries	612,103	1,145,425
Social security costs	<u>50,008</u>	<u>82,864</u>
	<u>662,111</u>	<u>1,228,289</u>

The average number of staff employed by the company (excluding trustees) during the year was 40 (1993: 69).

None of the trustees received any remuneration in respect of their services to the company (1993: £Nil).

7 Tangible fixed assets

Furniture fixtures & equipment £	Motor vehicles £	Total £
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Cost

At beginning of year	69,390	9,300	78,690
Additions	<u>1,216</u>	<u>-</u>	<u>1,216</u>

At end of year	<u>70,606</u>	<u>9,300</u>	<u>79,906</u>
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Depreciation

At beginning of year	26,052	5,890	31,942
Charge for the year	<u>7,279</u>	<u>1,860</u>	<u>9,139</u>

At end of year	<u>33,331</u>	<u>7,750</u>	<u>41,081</u>
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Net book value

At end of year	<u>37,275</u>	<u>1,550</u>	<u>38,825</u>
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At beginning of year	<u>43,338</u>	<u>3,410</u>	<u>46,748</u>
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Notes (continued)

8	Investments		Listed investments £
	Cost at beginning and end of year		<u>2,800</u>
	The market value of listed investments is £3,500 (1993: £3,500).		
9	Stock	1994 £	1993 £
	Finished goods and goods for resale	<u>13,486</u>	<u>11,880</u>
10	Debtors	1994 £	1993 £
	Trade debtors	101,643	40,358
	Income tax recoverable	100	20,546
	Other debtors	14,776	33,774
	Prepayments and accrued income	93,562	20,702
		<u>210,081</u>	<u>115,380</u>
11	Creditors: amounts falling due within one year	1994 £	1993 £
	Bank overdraft	197,059	149,355
	Trade creditors	39,115	39,661
	Other creditors including taxation and social security	94,810	71,382
	Accruals	54,549	44,808
		<u>385,533</u>	<u>305,206</u>

The D'Oyly Carte Opera Trust Limited

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Notes (continued)

12 Creditors: amounts falling due in more than one year

	1994 £	1993 £
Loans from The Sir Michael Bishop Foundation	<u>225,000</u>	<u>-</u>

The above loans are repayable on 31 March 1995 but have been included in long term creditors on the basis that The Sir Michael Bishop Foundation has agreed not to demand repayment of the loans until the Trust has sufficient funds (see note 2).

13 Reconciliation of movement in funds

	Income and expenditure account £	Gift of Dame Bridget D'Oyly Carte £
At 1 January 1994	(1,315,989)	1,197,789
Retained deficit for year	<u>(220,301)</u>	<u>-</u>
At 31 December 1994	<u>(1,536,290)</u>	<u>1,197,789</u>

14 Operating leases

The following amounts are payable within the next twelve months on operating leases expiring within:

	1994 £	1993 £
Less than one year	-	584
Two to five years	<u>4,746</u>	<u>6,300</u>

15 Capital commitments

There were no capital commitments either contracted or authorised but not contracted as at 31 December 1994 (1993: £Nil).

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The following information does not form part of the audited statutory financial statements and is included solely for the information of the Trustees

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Notes to the income and expenditure account
for the year ended 31 December 1994

	1994 £	1993 £
Production receipts		
Annual tour	<u>732,168</u>	<u>1,335,187</u>
Production costs		
Initial expenditure:		
Sets, costumes and props	56,239	49,261
Auditions and rehearsals	<u>237,730</u>	<u>148,733</u>
Touring costs:		
Annual tour	666,112	1,582,975
Miscellaneous operating costs	-	746
	<u>960,081</u>	<u>1,781,715</u>
Administrative and operating expenses		
Office costs	176,550	143,701
Less income receivable	<u>(127,054)</u>	<u>(148,056)</u>
	49,495	(4,355)
Stores/technical costs	64,609	54,360
General management and administration	<u>182,418</u>	<u>176,011</u>
	<u>296,522</u>	<u>226,016</u>
Other operating income		
Arts council	17,977	4,965
City of Birmingham	152,000	180,930
Friends of D'Oyly Carte	25,005	30,000
Donations and Deeds of Covenant	<u>120,792</u>	<u>75,000</u>
	<u>315,774</u>	<u>290,895</u>
Interest receivable and similar income		
Interest received	-	1,702
Income from listed investments	<u>400</u>	<u>400</u>
	<u>400</u>	<u>2,102</u>
Interest payable and similar charges		
Bank charges and interest	<u>12,040</u>	<u>7,833</u>

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Detailed analysis of expenditure
for the year ended 31 December 1994

	Note	1994 £	1993 £
Office costs			
Music library costs		5,770	4,109
Educational costs	1	12,867	5,444
Salaries, wages and national insurance	2	88,885	62,923
Press cuttings		873	909
Maintenance		3,020	1,719
Hire of equipment		2,595	1,819
Postage, printing and stationery		7,206	28,676
Telephone		9,678	5,515
Travel and subsistence		18,642	17,835
Depreciation		9,140	9,807
Sundry		17,874	13,298
Refunded from Birmingham City Council		-	(10,337)
Loss on sale of fixed assets		-	1,984
		<u>176,550</u>	<u>143,701</u>
Income receivable			
Royalties from recordings		20,743	43,259
Other fees and royalties		4,376	4,791
Miscellaneous income		49,198	65,654
A la Carte net income		12,174	4,958
Income from sale of merchandise		40,563	29,394
		<u>127,054</u>	<u>148,056</u>
Stores/technical costs			
Travel subsistence and accommodation		8,143	3,228
Salaries		53,382	46,149
Telephone		187	132
Sundry		2,897	4,851
		<u>64,609</u>	<u>54,360</u>
General management and administration			
Insurance		13,321	9,667
Salaries and other payroll costs		77,274	75,023
Professional charges		6,208	6,259
Audit fees		5,000	5,200
Promotions and advertising		80,615	79,862
		<u>182,418</u>	<u>176,011</u>

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Notes

1 Educational costs

Educational costs have risen due to the number of educational workshops undertaken for Birmingham City Council in the year. These workshops are given in return for the city's sponsorship and the number has doubled since 1993.

2 Wages and salaries

The increase this year is due to the inclusion on administrative payroll of staff connected with the tour, during the preparation for the tour, including:

- Approximately £17k paid to John Owen Edwards, orchestra conductor.
- A retainer of 50% of salary paid to the orchestra manager.

These are fixed costs whose non-inclusion in the tour costs account is the reason for constant tour recovery this year despite the shorter tour.