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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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.

KPMG

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.

KPMG

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		**(296,522)**	(226,016)
Other operating income	*2*	**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).*

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Balance sheet
at 31 December 1994

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

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

C. G. Prestige.
Trustee

Sir Michael Bishop CBE
Trustee

KPMG

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

5 **Interest payable and similar charges**

	1994 £	1993 £
Bank overdraft interest	**12,040**	7,833

6 **Staff costs**

	1994 £	1993 £
Wages and salaries	**612,103**	1,145,425
Social security costs	**50,008**	82,864
	662,111	1,228,289

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** £
Cost			
At beginning of year	69,390	9,300	78,690
Additions	1,216	-	1,216
At end of year	70,606	9,300	79,906
Depreciation			
At beginning of year	26,052	5,890	31,942
Charge for the year	7,279	1,860	9,139
At end of year	33,331	7,750	41,081
Net book value			
At end of year	37,275	1,550	38,825
At beginning of year	43,338	3,410	46,748

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Notes *(continued)*

8 Investments

	Listed investments £
Cost at beginning and end of year	**2,800**

The market value of listed investments is £3,500 *(1993: £3,500)*.

9 Stock

	1994 £	1993 £
Finished goods and goods for resale	**13,486**	11,880

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
	210,081	115,380

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
	385,533	305,206

12 Creditors: amounts falling due in more than one year

	1994	1993
	£	£
Loans from The Sir Michael Bishop Foundation	**225,000**	-

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	(220,301)	-
At 31 December 1994	(1,536,290)	1,197,789

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	**4,746**	6,300

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	**732,168**	1,335,187
Production costs		
Initial expenditure:		
Sets, costumes and props	**56,239**	49,261
Auditions and rehearsals	**237,730**	148,733
Touring costs:		
Annual tour	**666,112**	1,582,975
Miscellaneous operating costs	**-**	746
	960,081	1,781,715
Administrative and operating expenses		
Office costs	**176,550**	143,701
Less income receivable	**(127,054)**	(148,056)
	49,495	(4,355)
Stores/technical costs	**64,609**	54,360
General management and administration	**182,418**	176,011
	296,522	226,016
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	**120,792**	75,000
	315,774	290,895
Interest receivable and similar income		
Interest received	**-**	1,702
Income from listed investments	**400**	400
	400	2,102
Interest payable and similar charges		
Bank charges and interest	**12,040**	7,833

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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
		176,550	143,701
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
		127,054	148,056
Stores/technical costs			
Travel subsistence and accommodation		**8,143**	3,228
Salaries		**53,382**	46,149
Telephone		**187**	132
Sundry		**2,897**	4,851
		64,609	54,360
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
		182,418	176,011

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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.