The D'Oyly Carte Opera Trust Limited

- a company limited by guarantee

Trustees' report and financial statements

31 December 1996

Registered number 682766

Registered charity number 200024

The D'Oyly Carte Opera Trust Limited

Trustees' report and financial statements

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The D'Oyly Carte Opera Trust Limited

Trustees' report

The trustees present their annual report and the audited financial statements for the year ended 31 December 1996.

Status of the company

The charity is governed by its memorandum and articles of association. 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 (Resigned 24 June 1997)

The company is registered as a charity under the Charities Act 1993 (charity registration number 200024, company registration number 682766).

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
Councillor Renee Spector (Resigned 24 June 1997)

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

Principal activities

The principal objectives of the company are the production of Gilbert and Sullivan and other Operas and the raising of funds to support these. In 1996 the company produced Gilbert and Sullivan's The Mikado, Offenbach's La Vie Parisienne for nationwide tours lasting in total 10 weeks.

Additionally, the company sells merchandise relating to its productions. Merchandise is also gifted as publicity/marketing. The income and cost of this is shown in the financial statements as trading activities.

Review of the activities

The movement in funds for the year are set out on page 5.

The company's production receipts for the year amounted to £506,721 *(1995: £1,062,877)*. The decrease in receipts is due to the company touring only in the spring. The decreased level of activity in the year is reflected in lower production costs of £628,182 *(1995: £1,618,580)* and a reduced deficit on productions of £121,461 *(1995: £555,703)*.

In early 1997 The D'Oyly Carte Opera Company received confirmation of Arts Council of England support for its future productions in 1997 of 'The Count of Luxembourg' and 'Iolanthe', In April 1997 the company relocated its administration, some storage, and rehearsal headquarters to Wolverhampton courtesy of Wolverhampton Borough Council.

The company suffered from a fall in grants from charitable foundations during the year, resulting in a decrease in other income to £88,555 *(1995: £649,767)*.

The company has been awarded £250,000 from the Arts Council for the year 1997/98 and is continuing to lobby both the private and public sectors with a view to securing sufficient finance to safeguard the future of The D'Oyly Carte.

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

Auditors

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.

Approved by the board of trustees and signed on its behalf by:

Mark Kitson

M Kitson
Secretary

1 Savoy Hill
London
WC2R 0BP

24 July 1997

The D'Oyly Carte Opera Trust Limited

Statement of trustees' responsibilities

Law applicable to incorporated charities in England and Wales requires the trustees who are also directors for the purposes of the company law, 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 its financial activities during the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 charity 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 12.

Respective responsibilities of trustees and auditors

As described on page 3 the trustee who are also the directors of The D'Oyly Carte Opera Trust Limited for the purposes of company law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 charitable 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 affairs of the charitable company as at 31 December 1996 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

24 July 1997

The D'Oyly Carte Opera Trust Limited

Statement of financial activities

For the year ended 31 December 1996

	Note	Total funds 1996 £	(As restated) Total funds 1995 £
Income and expenditure			
Incoming resources			
Production receipts	*1*	**506,721**	1,062,877
Trading receipts	*1*	**84,656**	123,942
Donations and gifts		**88,555**	614,767
Investment income		**410**	400
ABSA award		**-**	35,000
Total incoming resources		**680,342**	1,836,986
Resources expended			
Direct charitable expenditure			
Opera production costs	*1*	**628,182**	1,618,580
Support cost			
Trading costs	*1*	**251,000**	362,151
Management and administration of charity		**124,094**	103,980
Publicity costs		**29,907**	81,904
Interest payable	*3*	**23,112**	20,300
Total resources expended		**1,056,295**	2,186,915
Net outgoing resources for the year	*2*	**(375,953)**	(349,929)
Other recognised gains and losses			
Valuation of archive material	*5*	**-**	175,000
Unrealised gain on investments	*7*	**300**	
Net movements in funds		**(375,653)**	(174,929)
Balances brought forward		**(511,730)**	(338,501)
Balances carried forward		**(887,383)**	(511,730)

The notes on pages 7 to 12 form part of these financial statements.

The D'Oyly Carte Opera Trust Limited

Balance sheet
at 31 December 1996

	Note	1996 £	1996 £	(As restated) 1995 £	(As restated) 1995 £
Fixed assets					
Tangible assets	*5*		**197,575**		204,382
Investments	*6*		**4,800**		4,800
			202,375		208,882
Current assets					
Stock	*7*	**25,601**		39,024	
Debtors	*8*	**79,131**		118,990	
Cash		**7,808**		7,515	
		112,540		165,529	
Creditors: amounts falling due within one year	*9*	**(417,298)**		(446,141)	
Net current liabilities			**(304,758)**		(280,612)
Total assets less current liabilities			**(102,383)**		(71,730)
Creditors: amounts falling due in more than one year	*10*		**(785,000)**		(440,000)
Net liabilities			**(887,383)**		(511,730)
Funds - unrestricted:					
Gift from Dame Bridget D'Oyly Carte			**1,197,789**		1,197,789
Revaluation reserve	*11*		**177,000**		176,700
Income and expenditure account	*11*		**(2,262,172)**		(1,886,219)
			(887,383)		(511,730)

These financial statements were approved by the trustees on 24 July 1997 and were signed on their behalf by:

Sir Michael Bishop CBE
Trustee

KPMG

Notes
(forming part of the financial statements)

1 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. SORP 2 - Accounting by Charities has been implemented for the first time this year. The 1995 comparatives have been restated where appropriate.

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 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.

Incoming resources

Production receipts represents the company's share of box office receipts excluding value added tax. Trading receipts relate to recording royalties and income from the sale of merchandise.

Donations and gifts include grants from various sources.

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.

Trading costs

These costs include the cost of merchandise sold.

The D'Oyly Carte Opera Trust Limited

Notes *(continued)*

1 **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.

The archive material is not depreciated as in the opinion of the Trustees it has an indefinite life.

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 market value. Market value is based on the closing middle market price on a recognised stock exchange.

2 **Net outgoing resources for the year**

	1996	1995
	£	£
This is stated after charging the following:		
Depreciation	**6,807**	10,208
Auditors' remuneration - audit fees	**4,500**	4,500
Plant and equipment operating lease charges	**3,697**	4,746

3 Interest payable

	1996	1995
	£	£
Bank overdraft interest	**23,112**	20,300

4 Staff costs

	1996	1995
	£	£
Wages and salaries	**455,338**	919,232
Social security costs	**36,975**	67,631
	492,313	986,863

The number of employees, whose emoluments were in excess of £40,000, was as follows:

	1996	1995
	£	£
£40,001 - £50,000	**1**	1

The average number of staff employed by the company (excluding trustees) during the year was 22 *(1995: 58)*.

None of the trustees received any remuneration in respect of their services to the company *(1995: £Nil)*.

5 **Tangible fixed assets**

Assets held for direct charitable use

	Archive material £	Furniture fixtures & equipment £	Motor vehicles £	Total £
Cost or valuation				
At beginning of year	175,000	71,371	9,300	255,671
Disposals	-	-	(9,300)	(9,300)
At end of year	175,000	71,371	-	246,371
At cost	-	71,371	-	71,371
At 1995 valuation	175,000	-	-	175,000
	175,000	71,371	-	246,371
Depreciation				
At beginning of year	-	41,989	9,300	51,289
Charge for the year	-	6,807	-	6,807
Disposal	-	-	(9,300)	(9,300)
At end of year	-	48,796	-	48,796
Net book value				
At 31 December 1996	**175,000**	**22,575**	**-**	**197,575**
At 31 December 1995	175,000	29,382	-	204,382

A valuation of the archive material was performed by the Trustees as at 31 December 1995 based on advice received from Christie, Manson & Woods Limited. The basis of valuation was open market value. Such archive material includes Sullivan scores and related materials.

6 **Investments**

	UK listed investments £
Market value	
At beginning of year	4,500
Unrealised gain	300
At end of year	4,800

The historical cost of listed investments is £2,800.

7 **Stock**

	1996 £	1995 £
Finished goods and goods for resale	**25,601**	39,024

8 **Debtors**

	1996 £	1995 £
Income tax recoverable	**33,533**	33,433
Other debtors	**36,085**	14,516
Prepayments and accrued income	**9,513**	71,041
	79,131	118,990

9 **Creditors: amounts falling due within one year**

	1996 £	1995 £
Loan: British Midland Airways Limited	**95,000**	-
Bank overdraft	**263,906**	247,629
Trade creditors	**14,938**	73,967
Other creditors including taxation and social security	**15,524**	59,217
Accruals	**27,930**	65,328
	417,298	446,141

The company has an overdraft facility of £200,000 which is due for review in the normal course in March 1998. Should the facility not be renewed then The Michael Bishop Foundation has undertaken to support the company as set out in note 2.

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Notes *(continued)*

10 **Creditors: amounts falling due in more than one year**

	1996 £	1995 £
Loan from The Michael Bishop Foundation	**785,000**	440,000

The above loan was repayable on demand but has been included in long term creditors on the basis that The Michael Bishop Foundation has agreed not to demand repayment of the loan until the Trust has sufficient funds (see note 2).

11 **Reconciliation of movement in funds - unrestricted**

	Gift of Dame Bridget D'Oyly Carte £	Revaluation reserve £	Income and expenditure account £
At beginning of year	1,197,789	176,700	(1,886,219)
Deficit for year	-	-	(375,953)
Unrealised gain	-	300	-
At end of year	1,197,789	177,000	(2,262,172)

12 **Operating leases**

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

	1996 £	1995 £
Less than one year	**920**	1,091
Two to five years	**2,777**	3,697
	3,697	4,788

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