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

# Trustees' report and financial statements

Registered number 682766

Registered charity number 200024

Year ended 31 December 1999

# Contents

# Trustees' report

*The trustees present their annual report and the audited financial statements for the year ended* 31 December 1999.

**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 (Deceased 7 August 1999)

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 were as follows:

Mr Richard Baker OBE, RD
Sir Michael Bishop CBE
Mr Colin Prestige
Mr Martin Radcliffe (Deceased 7 August 1999)
Major General Peter Baldwin CBE (Appointed 1 May 2000)
Mr David Walton (Appointed 7 September 2000)

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

**Principal activities**

The principal activities of the company are the production of Gilbert and Sullivan and other Operas for nationwide tours and the raising of funds to support these.

*Additionally, the company sells merchandise relating to its productions. Merchandise is also gifted as* publicity/marketing.

**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 £196,800 *(1998: £222,743).*

# Trustees' report *(continued)*

### 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:

**K Nicholls**
*Secretary*

1 Savoy Hill
London
WC2R 0BP

7 September 2000

## Statement of trustees' responsibilities

Law applicable to incorporated charities in England and Wales requires the trustees who are also directors for the purposes of 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;*
- 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 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 charity 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 11.

**Respective responsibilities of trustees and auditors**

The trustees, who are also directors of The D'Oyly Carte Opera Trust Limited, are responsible for preparing the trustees' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

**Basis of audit 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 1999 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

**KPMG**
*Chartered Accountants*
*Registered Auditors*

7 September 2000

## Statement of financial activities

***For the year ended 31 December 1999***

| | Note | **Unrestricted funds 1999 £** | Unrestricted funds 1998 £ |
|---|---|---|---|
| **Income and expenditure** | | | |
| **Incoming resources** | | | |
| Donations, gifts and sponsorship | | **-** | 507,208 |
| Opera production receipts | *1* | **196,800** | 222,743 |
| Trading receipts | *1* | **72,115** | 70,007 |
| Exceptional refund of NI contributions | | **154,580** | - |
| Investment income | | **631** | 160 |
| ***Total incoming resources*** | | **424,126** | 800,118 |
| **Resources expended** | | | |
| **Direct charitable expenditure** | | | |
| Opera production costs | *1* | **167,082** | 223,976 |
| **Support cost** | | | |
| Trading costs | *1* | **194,978** | 213,118 |
| Central administration costs | | **109,249** | 96,925 |
| Publicity costs | | **-** | 11,039 |
| Interest payable | *3* | **4,917** | 13,201 |
| **Total resources expended** | | **476,226** | 558,259 |
| **Net (outgoing)/incoming resources for the year** | *4* | **(52,100)** | 241,859 |
| **Other recognised gains and losses** | | | |
| Gain on investments | | **-** | 6,150 |
| **Net movements in funds** | | **(52,100)** | 248,009 |
| Balances brought forward | | **(1,067,510)** | (1,315,519) |
| ***Balances carried forward*** | | **(1,119,610)** | (1,067,510) |

The notes on pages 7 to 11 form part of these financial statements.

## Balance sheet
***at 31 December 1999***

| | Note | 1999 £ | 1999 £ | 1998 £ | 1998 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | *5* | | **203,181** | | 206,866 |
| Investments | *6* | | **-** | | 12,250 |
| | | | **203,181** | | 219,116 |
| **Current assets** | | | | | |
| Stock | *7* | **1,497** | | 10,639 | |
| Debtors | *8* | **31,041** | | 80,030 | |
| Investments | *9* | **12,533** | | - | |
| Cash | | **57,141** | | 13,931 | |
| | | **102,212** | | 104,600 | |
| **Creditors:** amounts falling due within one year | *10* | **(140,003)** | | (256,226) | |
| **Net current liabilities** | | | **(37,791)** | | (151,626) |
| **Total assets less current liabilities** | | | **165,390** | | 67,490 |
| **Creditors:** amounts falling due in more than one year | *11* | | **(1,285,000)** | | (1,135,000) |
| **Net liabilities** | | | **(1,119,610)** | | (1,067,510) |
| **Funds - unrestricted:** | | | | | |
| Gift from Dame Bridget D'Oyly Carte | *12* | | **1,197,789** | | 1,197,789 |
| Revaluation reserve | *12* | | **175,000** | | 184,450 |
| Income and expenditure account | *12* | | **(2,492,399)** | | (2,449,749) |
| | | | **(1,119,610)** | | (1,067,510) |

These financial statements were approved by the trustees on 7 September 2000 and were signed on their behalf by:

**Sir Michael Bishop CBE**
*Trustee*

# 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. There have been no changes in accounting policies in the year.

***Basis of accounting***

The financial statements have been prepared in accordance with applicable accounting standards using the historical cost convention and in accordance with SORP 'Accounting by Charities'. 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.

***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 |

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 and its residual value is as high as its carrying value.

***Leased assets***

Where the risks and rewards of ownership (other than title) of assets acquired under lease agreements pass to the lessee, the asset is recorded as a fixed asset at the fair value at the date of acquisition with amounts due to the lessor (net of finance charges) reflected as a creditor.

The excess of amounts due to the lessor over the fair value of the asset at the date of the original purchase is reflected as a finance charge and is written off over the life of the lease.

Operating lease costs are charged to the statement of financial activities on a straight line basis over the lease term.

***Stock***

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

***Taxation***

The company's charitable activities are exempt from taxation under Section 505 of the Income and Corporation Taxes Act 1988.

# Notes *(continued)*

## 1 Accounting policies *(continued)*

***Investments***

Fixed asset investments are stated at market value. Market value is based on the closing middle market price on a recognised stock exchange. Current asset investments are stated at the lower of cost and net realisable value.

## 2 Net outgoing resources for the year

| | 1999 £ | 1998 £ |
|---|---|---|
| ***Net outgoing resources for the year are stated*** | | |
| *after charging* | | |
| Depreciation | **3,685** | 3,775 |
| Auditors' remuneration - audit fees | **4,750** | 4,000 |
| Operating lease charges: | | |
| Plant and equipment | **5,656** | 1,428 |
| Land and buildings | **72,450** | 54,792 |

## 3 Interest payable

| | 1999 £ | 1998 £ |
|---|---|---|
| Bank overdraft | **4,917** | 13,201 |

## 4 Staff costs

| | 1999 £ | 1998 £ |
|---|---|---|
| Wages and salaries | **142,030** | 150,591 |
| Social security costs | **10,723** | 14,467 |
| | **152,753** | 165,058 |

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

| | 1999 £ | 1998 £ |
|---|---|---|
| £40,001 - £50,000 | **1** | 1 |

The average number of staff employed by the company (excluding trustees) during the year was 5 *(1998: 6)*.

None of the trustees received any remuneration in respect of their services to the company *(1998: £Nil)*.

# Notes *(continued)*

## 5 Tangible fixed assets

Assets held for direct charitable use

| | Archive material £ | Furniture, fixtures and equipment £ | Total £ |
|---|---|---|---|
| ***Cost or valuation*** | | | |
| At beginning and end of year | 175,000 | 87,540 | 262,540 |
| At cost | - | 87,540 | 87,540 |
| At 1995 valuation | 175,000 | - | 175,000 |
| | 175,000 | 87,540 | 262,540 |
| ***Depreciation*** | | | |
| At beginning of year | - | 55,674 | 55,674 |
| Charge for the year | - | 3,685 | 3,685 |
| At end of year | - | 59,359 | 59,359 |
| ***Net book value*** | | | |
| **At 31 December 1999** | **175,000** | **28,181** | **203,181** |
| At 31 December 1998 | 175,000 | 31,866 | 206,866 |

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 a Sullivan score and related material.

## 6 Fixed asset investments

| | UK listed investments £ |
|---|---|
| At valuation: | |
| At beginning of year | 12,250 |
| Disposal | (12,250) |
| **At end of year** | - |

The historical cost of listed investments is £Nil *(1998: £2,800)*.

## 7 Stock

| | 1999 £ | 1998 £ |
|---|---|---|
| Goods held for resale | **1,497** | 10,639 |

# Notes *(continued)*

## 8 Debtors

| | 1999 | 1998 |
|---|---|---|
| | £ | £ |
| Income tax recoverable | - | 20 |
| Other debtors | 356 | 2,580 |
| Prepayments and accrued income | 30,685 | 77,430 |
| | **31,041** | 80,030 |

## 9 Investments

| | 1999 | 1998 |
|---|---|---|
| | £ | £ |
| Cash based deposits | 12,533 | - |

## 10 Creditors: amounts falling due within one year

| | 1999 | 1998 |
|---|---|---|
| | £ | £ |
| Loan: British Midland Airways Limited | 95,000 | 95,000 |
| Bank overdraft | - | 94,376 |
| Trade creditors | 22,630 | 23,461 |
| Other creditors including taxation and social security | 11,110 | 12,909 |
| Accruals | 11,263 | 30,480 |
| | **140,003** | 256,226 |

There are no fixed repayment terms for the interest free loan from British Midland Airways Limited.

## 11 Creditors: amounts falling due in more than one year

| | 1999 | 1998 |
|---|---|---|
| | £ | £ |
| Loan from The Michael Bishop Foundation | 1,285,000 | 1,135,000 |

The above loan is 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 and in any event not before 1 January 2001.

## Notes *(continued)*

### 12 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 | 184,450 | (2,449,749) |
| Net outgoing resources for the year | - | - | (52,100) |
| Realised gain during the year | - | (9,450) | 9,450 |
| At end of year | 1,197,789 | 175,000 | (2,492,399) |

### 13 Operating leases

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

| | 1999 | | 1998 | |
|---|---|---|---|---|
| | **Land and buildings £** | **Other £** | Land and buildings £ | Other £ |
| Two to five years | **35,700** | **5,656** | 35,700 | 1,428 |
| More than five years | **36,750** | **-** | 36,750 | - |
| | **72,450** | **5,656** | 72,450 | 1,428 |

### 14 Post balance sheet event

Since the year end the company has received over £300,000 from the estate of the late Mrs Lilian Florence Hayes. The company is extremely grateful for the bequest which will be recognised in the accounts to 31 December 2000.