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 2001

Contents

Trustees' report

The trustees present their annual report and the audited financial statements for the year ended 31 December 2001.

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:

Sir Michael Bishop CBE
Mr Colin Prestige
Major General Peter Baldwin CBE
Mr David Walton

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:

Sir Michael Bishop CBE
Mr Colin Prestige
Major General Peter Baldwin CBE
Mr David Walton

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 £745,671 *(2000: £2,163,300).*

Auditors

Our auditors KPMG have indicated to the directors that their business has transferred to a limited liability partnership, KPMG LPP. Accordingly, a resolution is to be proposed at the annual general meeting for the appointment of KPMG LLP as auditors of the company.

Directors' report *(continued)*

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

K Nicholls
Secretary

The Powerhouse
6 Sancroft Street
London
SE11 5UD

10 July 2002

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

Independent 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 1985. 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 2001 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

10 July 2002

Statement of financial activities

for the year ended 31 December 2001

	Note	**Unrestricted funds 2001 £**	Unrestricted funds 2000 £
Income and expenditure			
Incoming resources			
Donations, gifts and sponsorship		**126,117**	330,048
Opera production receipts	*1*	**745,671**	2,163,300
Trading receipts	*1*	**55,585**	67,507
Investment income		**15,027**	6,956
Total incoming resources		**942,400**	2,567,811
Resources expended			
Direct charitable expenditure			
Costs of generating funds	*1*	**613,384**	2,071,137
Management and administration costs		**264,068**	196,374
Interest payable	*3*	**100**	-
Total resources expended		**877,552**	2,267,511
Net incoming resources for the year	*2*	**64,848**	300,300
Net movements in funds		**64,848**	300,300
Balances brought forward		**(819,310)**	(1,119,610)
Balances carried forward		**(754,462)**	(819,310)

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

Balance sheet

at 31 December 2001

	Note	**2001**		2000	
		£	**£**	£	£
Fixed assets					
Tangible assets	*5*		**208,768**		205,059
Current assets					
Stock	*6*	**18,745**		10,484	
Debtors	*7*	**31,750**		84,600	
Investments	*8*	**12,649**		12,533	
Cash		**415,251**		443,840	
		478,395		551,457	
Creditors: amounts falling due within one year	*9*	**(159,101)**		(293,302)	
Net current assets			**319,294**		258,155
Total assets less current liabilities			**528,062**		463,214
Creditors: amounts falling due in more than one year	*10*		**(1,282,524)**		(1,282,524)
Net liabilities			**(754,462)**		(819,310)
Funds – unrestricted:					
Gift from Dame Bridget D'Oyly Carte	*11*		**1,197,789**		1,197,789
Revaluation reserve	*11*		**175,000**		175,000
Income and expenditure account	*11*		**(2,127,251)**		(2,192,099)
			(754,462)		(819,310)

These financial statements were approved by the trustees on 10 July 2002 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 funds received from various sources.

Costs of generating funds

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 as they arise. These costs also 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

Current asset investments are stated at the lower of cost and net realisable value.

2 Net incoming/(outgoing) resources for the year

	2001	2000
	£	£
Net incoming/(outgoing) resources for the year are stated		
after charging		
Depreciation	**4,018**	2,863
Auditors' remuneration - audit fees	**4,500**	5,380
Operating lease charges:		
Plant and equipment	**4,728**	6,694
Land and buildings	**72,450**	72,450

3 Interest payable

	2001	2000
	£	£
Bank overdraft	**100**	-

4 Staff costs

	2001	2000
	£	£
Wages and salaries	**152,571**	107,486
Social security costs	**14,301**	10,507
	166,872	117,993

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

	2001	2000
£40,001 - £50,000	**1**	1

The average number of staff employed by the company (excluding trustees) during the year was 6 *(2000: 6)*.

None of the trustees received any remuneration in respect of their services to the company *(2000: £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 of year	175,000	92,281	267,281
Additions	-	7,727	7,727
At end of year	175,000	100,008	275,008
At cost	-	100,008	100,008
At 1995 valuation	175,000	-	175,000
	175,000	100,008	275,008
Depreciation			
At beginning of year	-	62,222	62,222
Charge for the year	-	4,018	4,018
At end of year	-	66,240	66,240
Net book value			
At 31 December 2001	**175,000**	**33,768**	**208,768**
At 31 December 2000	175,000	30,059	205,059

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 Stock

	2001 £	2000 £
Goods held for resale	**18,745**	10,484

7 Debtors

	2001 £	2000 £
Debtors	**12,670**	55,525
Prepayments and accrued income	**19,080**	29,075
	31,750	84,600

Notes *(continued)*

8 Investments

	2001 £	2000 £
Cash based deposits	**12,649**	12,533

9 Creditors: Amounts falling due within one year

	2001 £	2000 £
Loan: British Midland Airways Limited	**95,000**	95,000
Trade creditors	**45,641**	47,205
Other taxes and social security	**5,020**	134,361
Accruals and deferred income	**13,440**	16,736
	159,101	293,302

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

10 Creditors: Amounts falling due in more than one year

	2001 £	2000 £
Loans from:		
The Michael Bishop Foundation	**1,135,000**	1,135,000
Michael Bishop	**147,524**	147,524
	1,282,524	1,282,524

The above loans are repayable on demand but have been included in long term creditors on the basis that the lenders have agreed not to demand repayment of their loans until the Trust has sufficient funds and in any event not before 1 January 2003.

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	175,000	(2,192,099)
Net incoming resources for the year	-	-	64,848
At end of year	**1,197,789**	**175,000**	**(2,127,251)**

Notes *(continued)*

12 Operating leases

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

	2001 Land and buildings	**2001** Other	2000 Land and buildings	2000 Other
	£	**£**	£	£
One year	**35,700**	**-**	-	3,016
Two to five years	**-**	**1,712**	35,700	1,712
More than five years	**36,750**	**-**	36,750	-
	72,450	**1,712**	72,450	4,728

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

Notes to the statement of financial activities

for the year ended 31 December 2001

	2001	2000
	£	£
Incoming resources		
Donations, gifts and sponsorship		
Donations and Deeds of Covenant	**1,117**	30,048
Bequest of Mrs LF Hayes	**125,000**	300,000
	126,117	330,048
Opera production receipts		
Annual tour	**745,671**	2,163,300
Trading receipts		
Royalties from recordings	**9,760**	20,547
Music library income	**33,610**	33,731
Miscellaneous income	**2,415**	6,121
A la Carte net income	**9,800**	7,108
	55,585	67,507
Resources expended		
Costs of generating funds:		
Annual tour	**555,907**	1,987,310
Accrual for ATG settlement	**-**	7,000
Stores and technical costs	**57,477**	76,827
	613,384	2,071,137

Notes to the statement of financial activities *(continued)*

for the year ended 31 December 2001

Resources expended *(continued)*

	2001	2000
	£	£
Management and administration costs		
Salaries, wages and national insurance	**139,507**	93,281
Music library costs	**462**	4,202
Maintenance	**3,216**	1,080
Hire of equipment	**4,444**	3,579
Postage, printing and stationery	**6,706**	7,188
Telephone	**6,160**	4,974
Travel and subsistence	**3,446**	4,310
Depreciation	**4,018**	2,863
London office costs	**41,938**	37,485
Subscriptions	**977**	797
Sundry	**10,040**	13,181
Computer related expenditure	**9,730**	3,116
Wolverhampton office costs	**218**	344
Gas, electricity	**1,995**	1,735
Bank charges	**2,562**	456
Insurance	**17,319**	12,403
Professional fees	**6,830**	-
Audit fees	**4,500**	5,380
	264,068	196,374
Stores and technical costs		
Salaries and casual labour	**26,649**	24,712
Travel subsistence and accommodation	**1,489**	9,340
Telephone	**342**	313
Storage - Wolverhampton	**28,997**	42,294
Sundry	**-**	168
	57,477	76,827