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THE D'OYLY CARTE OPERA TRUST LIMITED
(A Company Limited By Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2007

Registered company number: 682766
Registered charity number: 200024

THE D'OYLY CARTE OPERA TRUST LIMITED
(A Company Limited By Guarantee)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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THE D'OYLY CARTE OPERA TRUST LIMITED
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TRUSTEES' REPORT

The Trustees present their annual report and the audited Financial Statements of the company for the year ended 31 December 2007.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005)

REFERENCE AND ADMINISTRATIVE DETAILS

The D'Oyly Carte Opera Trust Limited is a charitable company limited by guarantee The company is registered as a charity under the Charities Act 1993 (charity registration number 200024, company registration number 682766).

Registered and Principal Office	295 Kennington Road London SE11 4QE

The Trustees who served during the year, and subsequently, were as follows:

Sir Michael Bishop CBE (Chairman)
Major General Peter Baldwin CBE
Mr David Walton

The Trustees constitute Directors of the company for Companies Act purposes

Bankers.	Coutts and Co 440 The Strand London WC2R 0QS
Solicitors	Harbottle and Lewis Hanover House 14 Hanover Square London W15 1HP
Accountants	Clark Brownscombe 8 The Drive Hove East Sussex BN3 3JT

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by Articles of Association. Under those Articles the Trustees are appointed by the Board of Trustees The Trustees retire by rotation and being eligible offer themselves for re-election

The members of the company are,-

Sir Michael Bishop CBE (Chairman)
Major General Peter Baldwin CBE
Mr David Walton

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 Trustees are recruited and appointed by the existing members of the company

Statement of Trustees' Responsibilities
Company law requires the Trustees who act as directors for the purposes of company law to prepare the Trustees' report and the financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year (unless the charity is entitled to prepare accounts on the alternative receipts and payments basis) and which are prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. In preparing those financial statements the Trustees are required to·

a) select suitable accounting policies and apply them consistently,

b) make judgements and estimates that are reasonable and prudent,

c) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with applicable law and regulations They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps are taken to lessen these risks

OBJECTIVES AND ACTIVITIES

The principal activities and objects of the charity company are the production of Gilbert and Sullivan and other Operas for nationwide tours and the raising of funds to support these The company has a music hire department hiring musical scores to amateur societies and education institutes. It continues to maintain and develop an extensive archive In addition the company sells merchandise relating to its productions, and merchandise is also gifted by way of publicity and marketing

ACHIEVEMENTS AND PERFORMANCE

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

In 2007 the D'Oyly Carte Opera Trust, which is a registered charity, continued to trade as usual with the D'Oyly Carte Music Hire Library but there were no opera productions The status of opera productions will be reconsidered when the economic climate improves.

The administrative office for the trust relocated to smaller premises in April 2007

FINANCIAL REVIEW

All reserves are unrestricted funds and can be used at the discretion of the Trustees for the charitable objectives of the Trust At 31 December 2007 the deficit of reserves amounted to £1,972,223 (2006 £1,902,994). Although the reserves are currently in deficit loans amounting to £2,142,524 (2006 £2,097,524) have been provided by Sir Michael Bishop and the Michael Bishop Foundation and it has been agreed that these will not be repaid until the Trust has sufficient funds. In addition the Trust has the continuing support provided by the Michael Bishop Foundation, who have committed to ensure the future continuity of the Company and are prepared to fund any liabilities of the company which the company may be unable to meet itself for a further period of one year

Approved by the Board of Trustees and signed on its behalf by·

295 Kennington Road
London
SE11 4QE

Trustee

Date 22/7/08

THE D'OYLY CARTE OPERA TRUST LIMITED
(A Company Limited By Guarantee)

CHARTERED ACCOUNTANTS REPORT TO THE BOARD OF DIRECTORS OF THE UNAUDITED FINANCIAL STATEMENTS OF THE D'OYLE CARTE OPERA TRUST LIMITED (A Company Limited by Guarantee)

In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 31 December 2007 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

The report is made to the company's Board of Directors, as a body, in accordance with the terms of our engagement Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements

You have acknowledged on the Balance Sheet for the year ended 31 December 2007 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985 You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements For this reason we have not verified the accuracy or completeness of the accounting records or information or explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Clark Brownscombe

Clark Brownscombe
Chartered Accountants
8 The Drive
Hove
East Sussex
BN3 3JT

Date 5 August 2008

THE D'OYLY CARTE OPERA TRUST LIMITED
(A Company Limited By Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2007

INCOME AND EXPENDITURE ACCOUNT	Notes	Unrestricted Funds 2007	Unrestricted Funds 2006
INCOMING RESOURCES			
From Generated Funds			
Donations, legacies and similar incoming resources	2	546	25,511
Investment income	2	15	1
		561	25,512
From Charitable Activities	2	36,767	42,198
		37,328	67,710
RESOURCES EXPENDED			
Cost of Generating Funds	3	2,138	1,456
Charitable Activities	3	103,069	118,236
Governance Costs	3	1,350	1,425
		106,557	121,117
Net expenditure for the year and net movement in funds		(69,229)	(53,407)
Fund balances brought forward at beginning of the year		(1,902,994)	(1,849,587)
Total funds carried forward		(1,972,223)	(1,902,994)

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derived from continuing activities.

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

THE D'OYLY CARTE OPERA TRUST LIMITED
(A Company Limited By Guarantee)

BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	2007 £	2007 £	2006 £	2006 £
Fixed Assets					
Tangible assets	5		**189,540**		189,000
Current Assets					
Stock	6	**2,440**		2,540	
Debtors	7	**2,327**		2,678	
Bank and Cash		**7,320**		20,360	
		12,087		25,578	
Creditors Amounts falling due within one year	8	**(31,326)**		(16,653)	
Net current assets/(liabilities)			**(19,239)**		8,925
Total assets less current liabilities			**170,301**		197,925
Creditors Amounts falling due in more than one year	9		**(2,142,524)**		(2,097,524)
Provisions for liabilities and charges	10		**-**		(3,395)
Net liabilities			**(1,972,223)**		(1,902,994)
Unrestricted funds:					
Revaluation reserve	11		**189,000**		189,000
General	11		**(2,161,223)**		(2,091,994)
			(1,972,223)		(1,902,994)

The Directors and Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and Members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act The Directors and Trustees acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2006 and of its profit or loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company

These financial statements were approved by the Trustees on 22nd July 2008 and were signed on their behalf by

Trustee

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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, as modified by the inclusion of certain tangible fixed assets at a valuation, and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and the Companies Act 1985. The financial statements are drawn up using the going concern assumption on the basis of undertakings to support the company given by Sir Michael Bishop and The Michael Bishop Foundation

The company has taken advantage of the exemption available to small companies contained within Financial Reporting Standard 1, (Revised 1996) Cash Flow Statements' and has not prepared a cash flow statement

The principal accounting policies adopted in the preparation of the financial statements are as follows:

Incoming resources

Performance related income represents the charity's share of total production income as stipulated in the production agreement, excluding value added tax.

Trading receipts relate to recording royalties and income from the sale of merchandise and are recognized upon the right to receive the royalty or delivery of the merchandise

Donations and gifts include funds received from various sources and are included in incoming resources when receivable.

Resources expended

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 are all included within cost of generating funds in furtherance of the Charity's objects Other costs of generating funds' include the cost of merchandise sold All costs are inclusive of any VAT which cannot be recovered

Certain expenditure is directly attributable to specific activities and has been included in those cost categories Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

1. ACCOUNTING POLICIES – continued

Fixed assets and 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

The archive material is not depreciated as in the opinion of the Trustees it has an indefinite life and its residual value is at least as high as its carrying value

The carrying value of fixed assets is reviewed annually for any potential impairment

Leased assets
The excess of amounts due to the lesser 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

Fund accounting
Unrestricted funds can be used at the discretion of the Trustees for the charitable objectives of the Trust

2. INCOMING RESOURCES

	2007	2006
	£	£
Donations, legacies and similar incoming resources		
Donations from Friends of D'Oyly Carte	**-**	-
Other donations	**546**	669
Bequest of Mrs L F Hayes	**-**	24,842
	546	25,511
Investment income		
Bank interest	**15**	1

NOTES – continued

Incoming Resources - continued	**2007** **£**	2006 £
Charitable activities		
Royalty income	**7,846**	9,480
Music library income	**21,117**	19,742
Costume sales	**4,299**	6,044
Miscellaneous income	**3,505**	6,932
	36,767	42,198

3. RESOURCES EXPENDED

	2007 **£**	2006 £
Costs of generating funds	**2,138**	1,456
Management and administration costs		
Salaries, wages and national insurance	**75,371**	77,230
Maintenance	**937**	3,295
Hire of equipment	**1,071**	2,143
Postage, printing and stationery	**247**	560
Telephone	**3,403**	2,857
Travel and subsistence	**99**	50
Depreciation	**135**	3,382
London office costs	**13,243**	20,083
Subscriptions	**366**	465
Sundry	**1,690**	-
Computer related expenditure	**250**	250
Gas, electricity, water	**751**	597
Bank charges	**944**	1,080
Bank interest	**625**	228
Insurance	**3,937**	6,016
Reverse rent premium cost (note 10)	**-**	-
	103,069	118,236
Governance Costs		
Accountancy	**1,350**	1,425

4. STAFF COSTS

	2007 **£**	2006 £
Wages and salaries	**69,077**	71,347
Social Security costs	**6,294**	5,883
	75,371	77,230

There were no employees whose emoluments including benefits were in excess of £50,000 in either the current or prior year.
The average number of staff, based on full-time equivalents, employed by the company (excluding Trustees) during the year was 2 5 (2006· 2.5).
None of the Trustees received any remuneration in respect of their services to the charity (2006 £Nil) and were not reimbursed for any of their expenses in the year (2006. £Nil)

NOTES – continued

5. TANGIBLE FIXED ASSETS

	Archive Material £	Furniture, fixtures and equipment £	Total £
Cost or valuation			
At beginning of year	189,000	82,908	271,908
Additions	-	675	675
Disposals	-	(82,908)	(82,908)
At end of year	189,000	675	189,675
At cost	-	675	675
At 2006 valuation	189,000	-	189,000
Depreciation			
At beginning of year	-	82,908	82,908
Charge for the year	-	135	135
Disposals	-	(82,908)	(82,908)
At end of year	-	135	135
Net book value			
At 31 December 2007	189,000	540	189,540
At 31 December 2006	189,000	-	189,000

The most recent valuation of the archive material was performed by the Trustees as at 15 May 2006 based on advice received from Christie's International plc. The basis of valuation was open market value. Such archive material includes a Sullivan score and related material The Trustees believe there have been no material changes in the valuation of the archive material since the last valuation.

6. STOCK

	2007 £	2006 £
Goods held for resale	2,440	2,540

7. DEBTORS

	2007 £	2006 £
Trade debtors	176	248
VAT	277	477
Prepayments and accrued income	1,874	1,953
	2,327	2,678

8. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Bank overdraft	8,051	-
Trade creditors	19,264	13,723
Other taxes and social security	1,661	1,780
Accruals	2,350	1,150
	31,326	16,653

9. CREDITORS: Amounts falling due in more than one year

	2007 £	2006 £
The Michael Bishop foundation	1,677,524	1,632,524
Sir Michael Bishop	465,000	465,000
	2,142,524	2,097,524

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 2009

10. PROVISIONS FOR LIABILITIES AND CHARGES

At 1 January 2007	3,395
Provided in the year	-
Utilised in the year	(3,995)
At 31 December 2007	-

During 2004 the charity vacated certain premises However, in order to exit the lease it was necessary to pay a reverse premium to the new tenant which is due over the following three years The charity has provided for this in full

11. RECONCILIATIONOF MOVEMENT IN RESERVES – UNRESTRICTED

	Revaluation Reserve £	General £	Total £
At beginning of year	189,000	(2,091,994)	(1,902,994)
Revaluation	-	-	-
Net outgoing resources for the year	-	(69,229)	(69,229)
	189,000	(2,161,223)	(1,972,223)

The revaluation reserve resulted from independent valuations in 2001 and 2006 of archive material held in fixed assets

12. OPERATING LEASES

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

	2007		2006	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Less than one year	-	-	-	535
Two to five years	7,950	-	7,950	-
	7,950	-	7,950	535

13. SHARE CAPITAL

The Trust is a company limited by guarantee and has no share capital The liability of the members in the event of a winding up is limited to the sum of £1 per member There are currently three members

14. RELATED PARTY TRANSACTIONS

The Friends of D'Oyly Carte is a connected charity and its principal contact address is 295 Kennington Road, London SE11 4QE Donations received in the year from the Friends of D'Oyly Carte amounted to £Nil (2006. £Nil)

Sir Michael Bishop is a Trustee of the D'Oyly Carte Opera Trust Limited He is also the founder and chairman of the Michael Bishop Foundation. During the year, additional funding was received from The Michael Bishop Foundation amounting to £45,000 (2006 £60,000) At 31 December 2007 the amounts payable and the repayment terms agreed are disclosed in note 9