

CLASSICAL OPERA

REPORT AND FINANCIAL STATEMENTS

31ST AUGUST 2017

Charity Registration Number 1063387

Company Limited by Guarantee Number 3361716

CLASSICAL OPERA
REPORT AND FINANCIAL STATEMENTS
31ST AUGUST 2017

CONTENTS

	Page
Company Information	1
Report of the Trustees	2-7
Report of the Independent Examiner	8
Statement of Financial Activities	9
Summary Income and Expenditure Account	10
Balance Sheet	11
Other Statements	12
Statement of Cash Flows	13
Notes to the Financial Statements	14-19

CLASSICAL OPERA**COMPANY INFORMATION**

Trustees	George Koukis (Chairman) David Challen Jeffrey Eldredge Leslie MacLeod-Miller (appointed 2 th May 2017) Ian Odgers (resigned 11 th September 2017) Raphael Vermeir Lady Judy Vereker
President	Sir Vernon Ellis
Artistic Director	Ian Page
Chief Executive	Deborah Coates
Company Secretary	Maria Clark
Registered/Principal office	Britannia House 11 Glenthorne Road London W6 0LH
Company Number	3361716
Charity Registration Number	1063387
Independent Examiner	Phillip Roberts Roberts & Co. Chartered Accountants 136 Kensington Church Street London W8 4BH
Bankers	HSBC Bank PLC 16 Shepherds Bush Green London W12 8PT

CLASSICAL OPERA

REPORT OF THE TRUSTEES

The directors of the charitable company (“the charity”) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as its Trustees. The Trustees present their report together with the financial statements for the year ended 31st August 2017. The financial statements comply with the Charities Act 2011, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) Section 1A (effective 1st January 2016).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Classical Opera is a registered charity constituted as a company limited by guarantee, established in 1997 and governed by its Memorandum and Articles of Association. The company has no share capital and in the event of liquidation or being wound up the liability of its Trustees is limited to £1.

The Trustees meet regularly throughout the year with the Chief Executive, the Artistic Director and other members of the Senior Management Team. The board of Trustees are committed to refreshing the Board when appropriate with new Trustees who have the skills and networks needed to help the charity achieve its goals. The charity keeps a written policy outlining the requirement of Trustees.

The day to day management of the charity is delegated to the Chief Executive, who is supported by a Senior Management Team of three (Head of Development; Operations Manager and Finance Manager) and three other members of staff.

The remuneration of the Chief Executive is approved by the Trustees. All Trustees give their time freely and no Trustee received remuneration during the year.

The charity acquired a dormant subsidiary company limited by Guarantee ‘The Mozartists’ on the 7th February 2017. This subsidiary is expected to remain dormant but is required to protect the name. ‘The Mozartists’ brand, launched in the September 2017, was created to expand the repertoire of the company. It is a trading name of Classical Opera and the company will present its non-opera work under this name.

Details of any transactions with related parties during the reporting period are included in the notes to the financial statements.

OBJECTIVES AND ACTIVITIES

Classical Opera’s principal objective is to advance the education of the public in the art of music with particular reference to opera and historically-informed performance.

The charity specialises in the music of Mozart and his contemporaries, and presents both operas and concert programmes in most of London’s leading concert venues – including Wigmore Hall, Cadogan Hall and the Barbican – as well as touring whenever possible. In addition, it regularly produces studio recordings of Mozart operas (as part of its projected Complete Mozart Opera Recording Cycle) and recital programmes featuring soloists and the company’s period-instrument orchestra. The charity is acclaimed for its work in identifying and nurturing talented young artists, and since 2006 it has provided training and mentoring through its Associate Artists scheme. It also delivers a valuable outreach programme to primary school children in Ealing.

PUBLIC BENEFIT

The Trustees have referred to the Charity Commissioner’s general guidance on public benefit when reviewing their objectives and planning future activities, always with the aim of providing the utmost benefit

CLASSICAL OPERA

REPORT OF THE TRUSTEES (continued)

PUBLIC BENEFIT (continued)

to the public. In particular, the Trustees consider how such activities will contribute to the following key objectives:

- To provide inspirational, historically-informed performances and recordings of the works of Mozart and his contemporaries;
- To nurture and develop exceptional young talent, particularly through our Associate Artists scheme and Young Artists Projects;
- To advance the musical education of the general public through world-class performances, enlightening programming and accompanying publications and talks, and by delivering enriching outreach work to school children

Examples of steps taken include:

- 11 public performances;
- 1 new studio recording;
- Our annual Young Artists Projects, which featured a cast of Associate Artists alongside other talented young singers;
- Our Associate Artists scheme, which provides outstanding early-career singers with mentoring and coaching from our Artistic Director Ian Page, valuable performance and recording opportunities, and a bursary to help with professional costs;
- Pre-concert talks given by a range of specialists and experts;
- A new relationship with Birmingham Town Hall, which will enable us to tour our work outside of London, broadening our reach and impact;
- An immersive outreach project in West London, where we work with 120 pupils in partnership with Ealing Music Service;
- An Orchestral Discovery Day delivered to 120 children, enabling them to experience live performance and introductions by a leading orchestra, opera singer and conductor in a relaxed environment;
- Heavily subsidised tickets to selected performances for school children and accompanying parents and for under-36s;
- This season we developed new a new relationship with the Southbank Centre, which will enable us to expand our work and build new audiences in the years ahead. Funds permitting, in future seasons we intend to maintain our partnership with Ealing Music Service, continuing to provide our MOZART 250 Education Project while also assessing ways in which we can enhance this programme and maximise the public benefit generated from our investment. In addition, we hope to build on our new relationship with Birmingham Town Hall by piloting an education workshop for pupils at Key Stage 3 in 2018.

OVERVIEW OF THE 2017 SEASON – ACHIEVEMENTS AND PERFORMANCE

Public Performances

We began the 2017 season in Eisenstadt, Austria, where we performed three concerts as part of a residency at the annual Haydn Festival. The first concert – which opened the festival – included a semi-staged performance of Haydn's short comic opera *La canterina*, and featured soloists Susanna Hurrell, Rachel Kelly, Kitty Whately and Robert Murray. This was followed by a concert comprising scenes from operas by Mozart, Haydn and Gluck as well as a symphony by the little-known composer Carl Dittersdorf. The soloists in this performance were Klara Ek, Lawrence Zazzo and Benjamin Hulett. In the third performance, soprano Susanna Hurrell and

CLASSICAL OPERA

REPORT OF THE TRUSTEES (continued)

OVERVIEW OF THE 2017 SEASON – ACHIEVEMENTS AND PERFORMANCE (continued)

tenor Robert Murray were joined by Catherine Martin (violin), Jonathan Rees (cello) and Steven Devine (fortepiano) to present a chamber concert of songs, duets and instrumental works. This three-concert residency represented a significant success for us as we strive to build our international profile. Back in London, we gave a repeat performance of the first concert, 'La canterina', at Wigmore Hall.

In December 2016 we presented Handel's *Messiah* at Middle Temple Hall for the second year in a row. As in 2015, tickets were in high demand, and this performance sold out well in advance. The soloists included Sarah Fox, Angela Simkin, Stuart Jackson and Neal Davies, who were joined by The Choir of Classical Opera as well as the orchestra. Our first concert of the new year – '1767 - a retrospective' – took place at Wigmore Hall in January. Part of our ongoing 27-year MOZART 250 project, these annual 'retrospectives' are devised to provide an overview of the musical scene in Europe exactly 250 years ago, and this particular concert featured music by composers including Mozart, J. C. Bach, Gluck, Haydn, Abel and Arne. Ian Page and the orchestra were joined by two of the company's Associate Artists, Gemma Summerfield and Stuart Jackson, and the exciting young British baritone Ashley Riches in his first public performance with the company.

In June we presented a fully staged production of Mozart's first ever stage work, also as part of MOZART 250. Composed when Mozart was just eleven years old, *The First Commandment* (or *Die Schuldigkeit des ersten Gebots*) is the first part of a sacred Singspiel comprised of three parts by separate composers (Mozart's contribution is the only one to have survived). Devised as a Young Artists Project, our production at St John's Smith Square featured Alessandro Fisher (Christian), Sam Furness (Christian Spirit), Helen Sherman (Justice) and Gemma Summerfield (Compassion). They were joined by soprano Rebecca Bottone (one of our former Associate Artists) in the role of Worldly Spirit, and the production was directed by Thomas Guthrie and designed by Rhiannon Newman-Brown. It was a great disappointment that St John's Smith Square had to cancel the second of two performances in the wake of the Westminster terrorist attack earlier that day (22nd March). This was a significant blow, as the production was expensive to mount and we had worked hard to build a large audience. We were grateful, however, to a large number of people who chose to donate the cost of their tickets for the cancelled performance, and to several suppliers and partners – including St John's Smith Square – who waived or reduced fees in order to help lessen the financial impact. Following this incident we have taken out cancellation insurance to cover our performances in the current 2018 season.

In May we collaborated for the first time with renowned historical keyboard player Kristian Bezuidenhout in a performance of Mozart's earliest 'pasticcio' keyboard concertos at Wigmore Hall. Associate Artist Soraya Mafi also made her company performance debut, singing two Mozart arias. We ended the season by returning to St John's Smith Square to present a staged production of Mozart's first opera, *Apollo et Hyacinthus* in combination with his short cantata *Grabmusik*. This production ran over two nights, and we also gave a concert performance of both works at Birmingham Town Hall – a new venue for us, and one with whom we hope to build a lasting partnership. For this production we retained the creative team who worked on *The First Commandment*, and the cast included Benjamin Hulett (Oebalus), Klara Ek (Melia), Gemma Summerfield (Der Engel/Hyacinthus), Tim Mead (Apollo), James Hall (Zephyrus) and Benjamin Appl (Die Seele/Priest of Apollo).

Recordings

Alongside our public performances we returned to the recording studio to record the sixth instalment in our ongoing Complete Mozart Opera Cycle. *Il sogno di Scipione* was recorded in October 2016 for release in October 2017, and the cast included Associate Artist Stuart Jackson in the title role alongside Klara Ek (Costanza), Soraya Mafi (Fortuna), Krystian Adam (Publio), Robert Murray (Emilio) and Chiara Skerath (Licenza). May 2016 also saw the release of the debut recording by our new brand The Mozartists: a disc of concert arias performed with soprano Sophie Bevan, which was recorded in February 2016 and has been received with widespread acclaim, including being shortlisted for the best solo recital disc category for the 2018 International Opera Awards.

Outreach

Between January and March 2017 we delivered our third annual MOZART 250 Education Project to 120

CLASSICAL OPERA

REPORT OF THE TRUSTEES (continued)

OVERVIEW OF THE 2017 SEASON – ACHIEVEMENTS AND PERFORMANCE (continued)

school children (Key Stage 2) in Ealing. Over a series of five music workshops delivered to each class group of 30 pupils, the children learned about Mozart and the music he wrote when he was around their own age, developed their singing, composition, improvisation and stage craft skills, and eventually devised and composed their own short operas. They also took part in a research trip to the European Galleries and Theatre & Performance Galleries at the Victoria & Albert Museum, and a costume workshop during which they made their own hats in the style of eighteenth-century fashions. The project culminated with a performance of the children's finished operas, attended by friends and family at the Paul Robeson Theatre in Hounslow. The project team consisted of Lucia Vernon-Long (lead animateur), Rob Gildon (singer/animateur), Camilla Scarlett (violin), Zoe Shevlin (bassoon), Katarzyna Kowalik (harpsichord), Hannah Templeton (museum research leader) and Caroline Narracott (design workshop leader). The participating pupils were drawn from Featherstone, Mayfield and John Perryn Primary Schools, and throughout this project we worked in collaboration with our education partner Ealing Music Service.

In addition to our core project, we delivered an 'Orchestra Discovery Day' at St Mary's Church in South Ealing. 120 children attended this session (60 who participated in our core project, and 60 from Grange Primary School), where they had the opportunity to watch our orchestra working with conductor Ian Page and a professional opera singer, hear our players introduce their instruments, and talk directly with the musicians.

Throughout the season we also continued to offer discounted tickets to selected performances to subscribers to our 'Age of Mozart' scheme (open to anyone who is 36 or under, and has therefore not yet outlived Mozart), and to school children and accompanying parents.

FUTURE PLANS

The 2018 season will be particularly significant for us, as we celebrate both our 20th anniversary and the 'official' launch of The Mozartists. Plans for the season include: The Mozartists' début public performance at Wigmore Hall (18th September), a 20th Birthday Concert at the Barbican, featuring our first ever performance of Beethoven's Symphony No. 9 (9th October), '1768 – a retrospective' at Wigmore Hall (23rd January), Haydn's neglected *Applausus cantata* (our annual Young Artists Project) at Cadogan Hall (15th March), a concert performance of Mozart's first full-length opera *La finta semplice* at Birmingham Town Hall (2nd June), and two concert stagings of the same work at the newly refurbished Queen Elizabeth Hall (6th and 8th June), marking our début at London's Southbank Centre. In addition, we have been invited to give a repeat performance of the chamber concert presented in Eisenstadt in September 2016 as part of the classical season at Stamford Arts Centre in Lincolnshire (10th March), and to perform a concert in Prague as part of Martin Randall Travel's cultural tour of the city in June 2018. In January we will record the seventh in our Complete Mozart Opera Cycle – a single disc featuring both Mozart's cantata *Grabmusik* and his short opera *Bastien und Bastienne* – and in May 2018 we will release 'Mozart in London', a 2-disc set comprising a number of archive recordings made during our inaugural MOZART 250 festival at Milton Court in 2015. Our 2018 MOZART 250 Education Project will run from March to May, involving children and teachers from Fielding, John Perryn, Perivale and St Mark's Primary Schools in Ealing, and we will also be piloting an 'Introduction to Opera' workshop to around 70 Key Stage 3 pupils in Birmingham in partnership with Birmingham Town Hall.

We are delighted to be beginning a new relationship with Southbank Centre, where we plan to present our annual MOZART 250 opera (and some of our 'retrospectives') from 2018 onwards, and we are also working more regularly with foreign artists – notably, for the 2018 season we have cast sopranos Regula Mühlemann (Swiss), Anna Lucia Richter (German), Chiara Skerath (Swiss-Belgian), mezzo-soprano Sophie Rennert (Austrian), and bass Lukas Jakobski (Polish). In general, we feel that the work we have invested over the past few years has paid off in terms of raising our profile within the industry, and our focus for future seasons will be on increasing our bookings by international promoters as well as broadening our audience base in the UK. We plan to maintain our flourishing and mutually beneficial relationship with Ealing Music Service and, provided we can secure sufficient funding, we will continue to deliver our MOZART 250 Education Project in West London, continually assessing and improving the content of the programme.

CLASSICAL OPERA

REPORT OF THE TRUSTEES (continued)

FINANCIAL REVIEW

During the 2017 season the charity reported a surplus of £72,691 (2016: £1,533) and had total reserves at 31st August 2017 of £258,253 (2016: £185,562). This comprised free available reserves of £246,392 (2016: £136,222). Restricted Funds carried forwards at 31st August 2017 were £11,861 (2016: £49,340).

Despite the cancellation of a 2nd performance of *The First Commandment*, in the wake of the Westminster terrorist attacks, the year went smoothly with savings made against the initial expenditure budget in many areas. Reserves were increased over the year due to strong box office takings and the theatre tax relief received, which was £21,000 higher than initially forecast. Theatre tax income however, is not expected to be received for a year after the reporting period ends. The cash balance of £158,204 shows an increase of £27,496 in the reporting period.

RISK POLICY

The Trustees have identified that the following principal risks facing the charity:

- it is significantly reliant on one major donor
- in the current unstable climate there is increased possibility that performances may be cancelled as a result of terrorist activities
- Brexit may impact the company's ability to work with European artists, as well as impacting the company's ambitions to tour more frequently in Europe
- it is possible that the government might discontinue Theatre Tax Relief

The first of these risks is mitigated by stringent financial management which is closely monitored by the Board of trustees. Reserves are maintained and commitments forecast in such a way that events could be cancelled and a restructuring put in place in the event of the major donor ceasing to donate to the company. The financial impact of cancellation is assessed, and insurance taken out where appropriate. The management team are working closely with the main industry bodies to keep abreast of Brexit implications and shifts in policy. Theatre Tax Relief is received the year after the corresponding performances have taken place, therefore if it were to be discontinued, while having a negative effect on revenue, the management team would have sufficient time to revise plans for the following year in order to decrease expenditure accordingly.

Key controls used by the charity include formal agendas and minutes for all Trustee meetings, comprehensive planning, budgeting and accounting and clear authorisation and approval levels of all expenditure. Controls over operation of the charity's bank account and periodic reviews of the adequacy of insurance are considered to be adequately managed.

Through the risk management processes established, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

RESERVES POLICY

The Trustees intend to apply all funds that they raise to the principal aims and activities of the Charity. Reserves are calculated by the Trustees at a level sufficient to mitigate the risks facing the charity and to accommodate the peaks and troughs in the cashflow forecast. Liquid funds required vary from month to month dependent upon the performance schedule. At the 31st August 2017 the minimum level of free reserves required to fund operating expenditure for 3-4 months was calculated at £130,000. The actual free level of reserves was £116,392 higher than this, and was required in advance to fund the ambitious performances in our 20th Anniversary Year. The Trustees invest any surplus funds on bank deposit accounts to maximise the income but with no risk to capital.

CLASSICAL OPERA

REPORT OF THE TRUSTEES

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Company law requires the Trustees (who are also directors of Classical Opera for the purposes of Company Law) to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial period and of its financial position at the end of that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in the Charities SORP;
- state whether applicable UK accounting standards and statement of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. The Trustees 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.

In so far as the Trustees are aware:

- there is no relevant information of which the charitable company's independent examiner is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

By order of the Trustees:

Approved by the Members on 30th April

2018 and signed on their behalf by:



Maria Clark

Company Secretary

Registered office

Britannia House
11 Glenthorne Road
London
W6 0LH

CLASSICAL OPERA**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF CLASSICAL OPERA**

I report on the accounts of Classical Opera for the year ended 31st August 2017 which are set out on pages 9 to 19.

Respective responsibilities of trustees and examiner

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

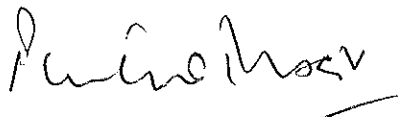
Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Phillip Roberts FCA

30 April 2018

Roberts & Co.
Chartered Accountants
136 Kensington Church Street
London
W8 4BH

CLASSICAL OPERA
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2017

	----- 2017 -----			2016
	Restricted funds	Unrestricted funds	Total	Total
	£	£	£	£
INCOME AND EXPENDITURE				
		Note		
Income from:				
Donations	126,934		718,835	620,142
Charitable Activities	-		181,326	108,678
Bank interest	-		44	295
Theatre tax relief	-		61,377	42,546
Total income	126,934		961,582	771,661
Expenditure on:				
Raising funds	-		125,084	119,972
Charitable activities	164,413		457,868	511,366
Management and administration	-	5	141,526	138,790
Total expenditure	164,413		888,891	770,128
Net (outgoing)/incoming resources – net surplus for the year	(37,479)		72,691	1,533
Fund balances brought forward as 31st August 2016	49,340		185,562	184,029
Fund balances carried forward as 31st August 2017	11,861		258,253	185,562

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The company has no recognised gains or losses other than the surplus for the year.

The accompanying notes form an integral part of these financial statements.

CLASSICAL OPERA**SUMMARY INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31ST AUGUST 2017**

	2017	2016
	£	£
Gross income for the year		
Restricted income	126,934	161,652
Unrestricted income	834,648	610,009
	<hr/>	<hr/>
	961,582	771,661
Expenditure for the year	(888,891)	(770,128)
	<hr/>	<hr/>
Net income for the year	72,691	1,533
	<hr/>	<hr/>

CLASSICAL OPERA**BALANCE SHEET****AS AT 31ST AUGUST 2017**

	Note	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		12,356		9,913
CURRENT ASSETS					
Stock	9	3,428		2,073	
Debtors	10	121,277		116,739	
Cash at bank and in hand		158,204		130,708	
			282,909		249,520
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	11	(37,012)		(73,871)	
			245,897		175,649
NET ASSETS					
			258,253		185,562
REPRESENTED BY					
Funds and reserves					
	12				
Restricted funds			11,861		49,340
Unrestricted funds			246,392		136,222
Total charity funds					
			258,253		185,562

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31st August 2017 and of the result for the year then ended in accordance with the requirements of section 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Board of Trustees on 30th April 2018 and signed on their behalf, by:



George Koukis – Chairman of the Trustees

The accompanying notes form an integral part of these financial statements.

CLASSICAL OPERA**OTHER STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2017**

Continuing activities

All amounts relate to continuing activities.

Statement of total recognised gains and losses

All recognised gains and losses are included in the Statement of Financial Activities on page 9.

Note of historical cost surpluses and deficits

There is no material difference between the reported result for the year ended 31st August 2017 and the result for the year restated on an historical cost basis.

Reconciliation of movements in reserves

The whole of the movement in reserves in the year is shown in the Statement of Financial Activities on page 9.

CLASSICAL OPERA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net income for the year as per Statement of Financial Activities		72,691	1,533
Adjustments to cash flows from non-cash items			
Depreciation	7, 8	5,633	3,614
Loss on disposal of tangible assets	5	-	699
Finance income		(44)	(295)
		<u>78,280</u>	<u>5,551</u>
Working capital adjustments			
Increase in stocks	9	(1,355)	(235)
Increase in debtors	10	(4,538)	(46,833)
(Decrease)/increase in creditors	11	(36,859)	48,982
		<u>35,528</u>	<u>7,465</u>
Cash flow generated from operating activities			
Cash flows from investing activities			
Interest received		44	295
Acquisition of tangible assets	8	(8,076)	(10,946)
		<u>(8,032)</u>	<u>(10,651)</u>
Net cash flows from investing activities			
Net increase/(decrease) in cash and cash equivalents		27,496	(3,186)
Cash and cash equivalents brought forward		130,708	133,894
		<u>158,204</u>	<u>130,708</u>
Cash and cash equivalents carried forward			

The accompanying notes form an integral part of these financial statements.

CLASSICAL OPERA

NOTES TO THE FINANCIAL STATEMENTS

31ST AUGUST 2017

1. ACCOUNTING POLICIES

- **Basis of preparation of accounts**

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) Section 1A (effective 1st January 2016) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The organisation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

In addition these financial statements have been prepared under the historical cost conversion.

- **Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, it is probable the income will be received and the amount can be quantified with reasonable accuracy. Voluntary income is received by way of grants, donations, sponsorships and other income from fundraising events and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Charitable activities represent income received from live and recorded musical performances, including concerts and recordings. The income is recognised on the completion of the performance or, in the case of royalties, when receivable.

The value of services provided by volunteers is immaterial and has not been included in these financial statements.

- **Resources expended**

Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Expenditure on charitable activities includes the costs of performances and educational activities undertaken to further the purposes of the charity and their associated salary support costs.

Expenditure on management and administration of the charity includes all expenditure not associated with the charitable activity or fundraising ventures.

Expenditure related to specific activities has been included in these cost categories.

CLASSICAL OPERA**NOTES TO THE FINANCIAL STATEMENTS
31ST AUGUST 2017**

1. ACCOUNTING POLICIES (continued)**• Governance costs**

Governance costs include costs which are directly attributable to the day to day running of the charity and procedures necessary for compliance with statutory requirements.

• Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful life of office equipment is four years.

Individual items of office equipment with a purchase price of £100 or less are written off in the year of purchase.

• Fund accounting

Details of the nature and purpose of the funds is set out in note 12.

• Changes in presentation

Where changes in presentation have been made the comparative figures have been adjusted accordingly.

• Taxation

As a charity, the Company is exempt from tax on income or gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable activities. No tax charges have arisen in the charity.

• Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the Trustees' best knowledge of the amount, events or actions, actual results ultimately differ from these estimates. The Trustees do not consider there to be any material estimates and judgements.

• Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

• Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CLASSICAL OPERA

NOTES TO THE FINANCIAL STATEMENTS

31ST AUGUST 2017

1. ACCOUNTING POLICIES (continued)

- **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

- **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due

2. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

3. RELATED PARTY TRANSACTIONS

None of the Trustees have been paid any remuneration or received any other benefits from employment with Classical Opera during the reporting period. No Trustees expenses were incurred during the reporting period.

The total amount of donations received without conditions from Trustees and related parties during the reporting period was £495,000 (2016: £390,050).

During the year the charity received sponsorship income of £2,500 from Rusada Group SA (2016: £2,500) where Classical Opera's Chairman is a director of the board.

There were no outstanding balances with related parties at the year end (2016: £Nil).

In view of the charity's legal status the charity Trustees consider that there is no ultimate controlling party to be disclosed under the provisions of Financial Reporting Standard No. 8.

4. THEATRE TAX RELIEF

In accordance with the provisions of the Finance Act, 2014, which introduced Theatre Tax Relief, an estimated amount of £61,377 (2015 - £42,546) has been included to be claimed as a tax credit receivable. This has been shown separately in the income and expenditure account with a debtor on the balance sheet of £91,877 (2015 - £87,546).

CLASSICAL OPERA**NOTES TO THE FINANCIAL STATEMENTS****31ST AUGUST 2017****5. MANAGEMENT AND ADMINISTRATION**

	2017	2016
	£	£
Management and staff	14,357	26,869
Recruitment expenses	477	-
Marketing and PR	66,846	54,655
Office rent	22,756	21,990
IT support	8,803	8,504
Printing, postage and stationery	3,980	5,078
Telephone	2,988	3,434
Travel and entertaining	1,257	1,022
Publications, research and music	1,450	1,309
Independent examiner's fee	2,124	1,750
Legal and professional	970	851
Bank charges	1,462	417
Depreciation	5,633	3,614
Database and other software	2,768	3,014
Memberships and conferences	1,613	2,747
Sundries	1,500	218
Insurance	2,542	2,619
Loss on disposal of tangible fixed assets	-	699
	<hr/>	<hr/>
	141,526	138,790
	<hr/>	<hr/>

6. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages, salaries and defined contribution pension contributions	214,467	194,145
Social security costs	17,838	15,243
Freelance staff	67,991	61,757
	<hr/>	<hr/>
	300,296	271,145
	<hr/>	<hr/>

No employees received employee benefits of more than £60,000 during the year.

Key management personnel of the charity comprise the Chief Executive Officer, Finance Manager and Head of Development. The total amount of employee benefits received by the charity's key management personnel in the reporting period was £131,639 (2016: £121,873).

The average employee head count during the reporting period was 7.

CLASSICAL OPERA**NOTES TO THE FINANCIAL STATEMENTS****31ST AUGUST 2017****7. NET MOVEMENT IN FUNDS FOR THE YEAR**

	2017	2016
	£	£
The net movement in funds for the year is stated after charging:-		
Depreciation	5,633	3,614

8. FIXED ASSETS

	Office equipment
	£
Cost	
At 31st August 2016	14,451
Additions	8,076
	<hr/>
At 31st August 2017	22,527
	<hr/>
Depreciation	
At 31st August 2016	4,538
Charge for year	5,633
	<hr/>
At 31st August 2017	10,171
	<hr/>
Carrying amounts	
At 31st August 2017	12,356
	<hr/>
At 31st August 2016	9,913
	<hr/>

9. STOCKS

	2017	2016
	£	£
Stock of CDs held for resale	3,428	2,073

CLASSICAL OPERA

NOTES TO THE FINANCIAL STATEMENTS

31ST AUGUST 2017

10. DEBTORS

	2017	2016
	£	£
Prepayments	19,992	21,854
Theatre tax relief	91,877	87,546
Trade debtors	(180)	2,915
Other debtors	9,588	4,424
	<u>121,277</u>	<u>116,739</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	16,347	12,719
Accruals	18,105	4,389
Other creditors	2,560	56,763
	<u>37,012</u>	<u>73,871</u>

12. FUNDS

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Restricted funds are those which have been given for particular purposes and projects within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Net assets are analysed between the funds as follows:

	2017			2016		
	Restricted funds	Unrestricted funds	Total	Restricted funds	Unrestricted funds	Total
	£	£	£	£	£	£
Tangible fixed assets	-	12,356	12,356	-	9,913	9,913
Net current assets	11,861	234,036	245,897	49,340	126,309	175,649
	<u>11,861</u>	<u>246,392</u>	<u>258,253</u>	<u>49,340</u>	<u>136,222</u>	<u>185,562</u>

