

**CLASSICAL OPERA**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 AUGUST 2019**

**Charity Registration Number 1063387**  
**Company Limited by Guarantee Number 3361716**

**CLASSICAL OPERA**

**REPORT AND FINANCIAL STATEMENTS**

**31 AUGUST 2019**

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## CLASSICAL OPERA

### LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	George Koukis (Chairman) David Challen Raphael Vermeir CBE Jeffrey Eldredge (resigned 23 April 2020) Leslie MacLeod-Miller (resigned 20 April 2020) Lady Judy Vereker (resigned 22 April 2020)
<b>President</b>	Sir Vernon Ellis
<b>Artistic Director</b>	Ian Page
<b>Chief Executive</b>	Deborah Coates
<b>Company Secretary</b>	Megan Chidlow (appointed 14 January 2020) Maria Clark (resigned 14 January 2020)
<b>Registered/Principal office</b>	Britannia House 11 Glenthorne Road London W6 0LH
<b>Company Number</b>	3361716
<b>Charity Registration Number</b>	1063387
<b>Independent Examiner</b>	Phillip Roberts Roberts & Co. Chartered Accountants 136 Kensington Church Street London W8 4BH
<b>Bankers</b>	HSBC Bank PLC 21 Kings Mall King Street Hammersmith London W6 0QF

## **CLASSICAL OPERA**

### **REPORT OF THE TRUSTEES**

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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 31 August 2019. 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)

### **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 the 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 Board undertook a structural review with a view to making way for new trustees to help bolster and maintain the company’s funds in the wake of the Covid 19 pandemic. In light of this, three long serving trustees offered their resignation in April 2020.

The day to day management of the charity is delegated to the Chief Executive, who is supported by a Senior Management Team of three (Development and Communications Manager; Head of Artistic Administration and Promotion and Finance Manager).

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 7<sup>th</sup> February 2017. This subsidiary is expected to remain dormant but is required to protect the name. ‘The Mozartists’ brand, launched in 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.

## CLASSICAL OPERA

### REPORT OF THE TRUSTEES (continued)

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#### OBJECTIVES AND ACTIVITIES (continued)

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, Southbank Centre and Cadogan Hall – as well as touring whenever possible.

In 2015 the company launched MOZART 250, an epic 27-year chronological project exploring Mozart's life, work and influences in sequence 250 years on, starting with Mozart's childhood visit to London and projected to end with his final *Requiem* in 2041. In addition, the company 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 – many of which have been nominated for prestigious awards.

The charity is acclaimed for its work in identifying and nurturing talented young artists – it has worked closely with many of the country's finest opera singers since the beginning of their careers, and plays an important role in developing young talent through its Associate Artist Scheme and projects for young artists. The charity also delivers a valuable, expanding outreach programme to school children.

#### 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 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:

- 8 public performances in London, Lichfield and Athens;
- 1 new studio recording and a live performance recording to make our work available for public international release;
- Our annual Young Artist Project, which featured a cast of three Associate Artists;
- Our Associate Artist scheme, which provides outstanding early-career singers with mentoring and coaching from our Artistic Director Ian Page, valuable training, performance and recording opportunities, and a bursary to help with professional costs;

## CLASSICAL OPERA

### REPORT OF THE TRUSTEES (continued)

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#### PUBLIC BENEFIT (continued)

- UK premières of works by Hasse, Paisiello and Gluck;
- Pre-concert talks given by a range of specialists and experts;
- Continued performances as part of our new relationship with one of London's most prestigious venues, the Southbank Centre;
- Several radio appearances and broadcasts including a live concert broadcast on BBC Radio 3
- Our first public performance in Greece at the Megaron concert hall in Athens;
- An immersive outreach project in West London, where we worked with 120 primary school pupils and several groups of secondary school pupils in partnership with Ealing Music Service;
- Heavily subsidised tickets to many of our performances for school children and accompanying parents and for under-36s;

#### OVERVIEW OF THE 2018/19 SEASON – ACHIEVEMENTS AND PERFORMANCE

2018/19 was a highly successful year for the company. We created the first title in a new series of seven projected recordings exploring 'Sturm und Drang' which has just been selected as Editor's Choice in *Gramophone* and already received numerous accolades internationally before its release, and we released the seventh in our Mozart opera recording series *Bastien und Bastienne*. Our highly acclaimed public performances included débuts in Athens and at the Lichfield Festival, and one of our concerts was broadcast live on BBC Radio 3. We gave several UK premières, including Hasse's *Piramo e Tisbe* and the 1769 version of Gluck's *Orfeo e Euridice*, and our MOZART 250 programming (a ground-breaking 27-year project exploring Mozart's life, works and influences, devised by our Artistic Director Ian Page) continued to inspire, engage and inform.

#### Public Performances

The 2018/19 season opened in September with a performance of Mozart's *Bastien und Bastienne* under the company's MOZART 250 umbrella (marking the 250<sup>th</sup> anniversary of the work's first première), also tying in with the release of our recording of the same title in the company's projected complete series of Mozart Opera recordings. The soloists comprised Associate Artists Ellie Laugharne and Alessandro Fisher, as well as company regular Darren Jeffery.

Our second MOZART 250 performance, '1769 – a retrospective' in January at Southbank Centre's Queen Elizabeth Hall, featured works by Mozart, Thomas Arne, C.P.E. Bach, Gluck, Paisiello, Haydn and Leopold Mozart, with two young soloists: Chiara Skerath (Associate Artist) and James Newby.

Our main young artist project, at Cadogan Hall, was the UK première of Hasse's *Piramo e Tisbe* with Associate Artists Chiara Skerath, Kiandra Howarth and Gwilym Bowen, and we recorded this for future release on Signum Classics.

## CLASSICAL OPERA

### REPORT OF THE TRUSTEES (continued)

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#### OVERVIEW OF THE 2018/19 SEASON – ACHIEVEMENTS AND PERFORMANCE (continued)

MOZART 250 continued with a Gluck double bill of *Bauci e Filemone* and the UK première of his 1769 *Orfeo*, again Queen Elizabeth Hall. The soloists were Ukranian soprano Lena Belkina, Associate Artists Gwilym Bowen and Kiandra Howarth, and former Associate Artist Rebecca Bottone.

We made our Athens début at the Megaron concert hall with a Mozart programme featuring three singers who have worked with us since the outset of their careers: Sarah Fox, Benjamin Hullet and Lawrence Zazzo.

The final project of the season was 'Mozart's Travels', a programme featuring music written in various European countries by Mozart during his extensive travels. This was performed at Wigmore Hall and Lichfield Festival, and the London performance was broadcast live on BBC Radio 3. The vocal soloist was former Associate Artist Louise Alder, and the programme also featured concertos played by members of our orchestra: Gavin Edwards (horn), Katy Bircher (flute) and joined by Oliver Wass (harp).

#### Talks

Accompanying our performances, we offered pre-performance talks by a number of experts, including Ian Page and Robert Cannon.

#### Recordings

Alongside our public performances we returned to the recording studio to record the first in an exciting new series exploring the expressive 'Sturm und Drang' movement which ran from the early 1760s to the 1780s.

Accolades received for previous recordings in this financial year included a Gramophone Award nomination for *Il Sogno di Scipione*, and Record of Month - Limelight Magazine, Australia and Disc of the Year i-Classical for 'Mozart in London.'

#### Outreach

Between March and May 2018 we delivered our annual MOZART 250 Education Project to 120 school children (Key Stage 2) in Ealing in partnership with Ealing Music Service. Through 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 their age, developed their singing, composition, improvisation and stagecraft skills, and 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 with a professional milliner. The project culminated with a performance of the children's finished operas, attended by friends and family at the Paul Robeson Theatre in Hounslow.

We also worked with Ealing Music Service to deliver a series of Introduction to Opera workshops to schools to tie in with their initiatives around World Music Day.

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.

## CLASSICAL OPERA

### REPORT OF THE TRUSTEES (continued)

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#### FUTURE PLANS

Plans for our 2019/20 season include three performances at Wigmore Hall, including '1770 – a retrospective', a return to Southbank Centre's Queen Elizabeth Hall with a the first in a trilogy exploring Mozart's final symphonies and the keys in which they were written, performances of *Così fan tutte* in London, Birmingham and Italy, our Paris début at La Seine Musicale as part of the Insula Festival and the first ever in-depth exploration of Mozart's time in Italy presented as a three day festival, following on from 'Mozart in London'. However, see comments under Risk Policy section regarding cancellations due to Covid 19 pandemic from mid-March 2020.

Recording plans include the creation of the second in our new 'Sturm und Drang series' and the next title in our Mozart Opera series, *La Betulia Liberata*, as well as the release of the first 'Sturm und Drang' title created this financial year.

Our education work will continue with a new MOZART 250 project co-funded by our lead partners Ealing Music Service and John Lyon's Charity.

The work we have invested in to raise our profile within the industry is continuing to pay off and we will continue to aim to increase bookings from international promoters as well as broadening our following and audience base in the UK. We plan to maintain our flourishing and mutually beneficial relationship with Ealing Music Service and expand the reach of our education projects, continually assessing and improving the content of the programme.

#### FINANCIAL REVIEW

During the 2018/19 season the charity reported a surplus of £64,667 (2018: £74,520) and had total reserves at 31 August 2019 of £397,440 (2018: £332,773). This comprised free available reserves of £186,058 (2018: £136,510), designated funds of £175,000 (2018: £175,000) and restricted funds of £36,382 (2018: £21,263).

The cash balance of £310,725 shows an increase of £99,815 in the reporting period. Reserves were increased over the year due to stronger box office takings, savings from production cost efficiencies during the year.

Total income for the year was £870,620, compared to £953,279 in the previous year, the decrease being due to this being a fallow year in the bi-annual fundraising gala cycle. The fundraising costs also decreased by £43,452 in the year.

## **CLASSICAL OPERA**

### **REPORT OF THE TRUSTEES (continued)**

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#### **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. At 31 August 2019 the minimum level of free reserves required to fund fixed costs for 3-4 months was calculated at £160,000. The charity held £186,058 of general reserves at the year-end date, slightly ahead of the amount needed under the reserves policy, however this amount is deemed acceptable to the trustees given the risks currently faced. In order to ensure longer-term stability the trustees have designated £175,000 to fund several aspects of the charity's future expenditure:

- £15,000 to fund the projected office move and increased rent for 2-3 years. The landlord has advised the delayed intension to demolish the current office block is likely to go ahead;
- £70,000 towards recordings which help to promote the charity and leave a long-term legacy for audiences;
- £60,000 towards future MOZART 250 live performances – as Mozart grew older he became more prolific and wrote for larger orchestral forces so it stands to reason that some funding will need to be set aside now to enable the charity to fulfil this project;
- £30,000 to enable touring of the charity's work outside London, which will help to reach new audiences, raise profile, and therefore increase the ability of the charity to raise further funds.

The Trustees invest any surplus funds in highly liquid bank deposit accounts to maximise the income but with no risk to capital. Liquid funds required vary from month to month dependent upon the performance schedule.

#### **RISK POLICY**

The Trustees have identified 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
- there is a risk of Theatre Tax Relief being discontinued

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.

## **CLASSICAL OPERA**

### **REPORT OF THE TRUSTEES (continued)**

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#### **RISK POLICY (continued)**

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.

Since mid-March 2020 closures caused by the Covid 19 pandemic have impacted the venues we work with and events planned from April 2020 onwards have been cancelled. Our income has also been reduced with the result is that we are likely use some of our reserves during the 19/20 year. However our ability to scale down and work flexibly means that the charity can continue to work through this period.

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.

#### **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).

**CLASSICAL OPERA**

**REPORT OF THE TRUSTEES (continued)**

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**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS (continued)**

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 1 June 2020 and signed on their behalf by:



.....  
**Megan Chidlow**

Company Secretary

Registered office

Britannia House  
11 Glenthorne Road  
London  
W6 0LH

## CLASSICAL OPERA

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

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I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 August 2019.

#### Responsibilities and basis of report

As the charity's Trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

#### Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should have been drawn in this report in order to enable a proper understanding of the accounts to be reached.



**Phillip Roberts FCA**

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

**CLASSICAL OPERA**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

		2019 Unrestricted funds	2019 Restricted funds	2019 Total	2018 Total
	Notes	£	£	£	£
<b>Income from:</b>					
Donations	4	579,322	92,268	671,590	731,943
Charitable activities		131,647	-	131,647	156,059
Theatre and orchestral tax relief		66,376	-	66,376	64,876
Bank interest		1,007	-	1,007	401
<b>Total incoming resources</b>		<b>778,352</b>	<b>92,268</b>	<b>870,620</b>	<b>953,279</b>
<b>Expenditure on:</b>					
Costs of raising funds	5	115,743	-	115,743	159,195
Charitable activities	5	613,061	77,149	690,210	719,564
<b>Total resources expended</b>		<b>728,804</b>	<b>77,149</b>	<b>805,953</b>	<b>878,759</b>
<b>Net income being net movement in funds</b>		<b>49,548</b>	<b>15,119</b>	<b>64,667</b>	<b>74,520</b>
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 September 2018		311,510	21,263	332,773	258,253
<b>Total funds carried forward at 31 August 2019</b>	14	<b>361,058</b>	<b>36,382</b>	<b>397,440</b>	<b>332,773</b>

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 those shown above.

The accompanying notes on pages 14 to 23 form an integral part of these financial statements.

## CLASSICAL OPERA

### BALANCE SHEET

AS AT 31 AUGUST 2019

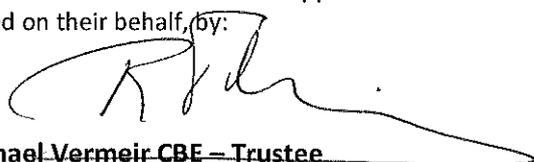
		2019	2018
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	9	6,180	8,932
<b>Current assets</b>			
Stock	10	2,844	2,797
Debtors	11	127,574	145,424
Cash at bank and in hand		310,725	210,910
		<u>441,143</u>	<u>359,131</u>
Creditors: amounts falling due within one year	12	(49,883)	(35,290)
<b>Net current assets</b>		<u>391,260</u>	<u>323,841</u>
<b>Net assets</b>		<u>397,440</u>	<u>332,773</u>
<b>Funds and reserves</b>			
Restricted funds	13	36,382	21,263
Unrestricted funds:			
Designated funds	13	175,000	175,000
General funds		186,058	136,510
<b>Total funds</b>		<u>397,440</u>	<u>332,773</u>

For the year ending 31 August 2019 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 31 August 2019 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 the 1 June 2020 and signed on their behalf, by:



**Raphael Vermeir CBE – Trustee**

The accompanying notes form an integral part of these financial statements

**CLASSICAL OPERA****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 AUGUST 2019**

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Surplus for the financial year		<b>64,667</b>	74,520
Adjustments to cash flows for:			
Depreciation	8, 9	<b>6,389</b>	6,322
Investment income		<b>(1,007)</b>	(401)
(Increase)/decrease in stocks	10	<b>(47)</b>	631
Decrease/(increase) in debtors	11	<b>17,850</b>	(24,147)
Increase/(decrease) in creditors	12	<b>14,593</b>	(1,722)
		<hr/>	<hr/>
<b>Cash flow generated from operating activities</b>		<b>102,445</b>	55,203
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Interest received		<b>1,007</b>	401
Acquisition of tangible assets	9	<b>(3,637)</b>	(2,898)
		<hr/>	<hr/>
<b>Net cash flows from investing activities</b>		<b>(2,630)</b>	(2,497)
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>99,815</b>	52,706
Cash and cash equivalents brought forward at 1 September 2019		<b>210,910</b>	158,204
		<hr/>	<hr/>
<b>Cash and cash equivalents carried forward at 31 August 2019</b>		<b>310,725</b>	210,910
		<hr/>	<hr/>

## CLASSICAL OPERA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

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#### 1. ACCOUNTING POLICIES

##### a) 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) (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.

##### b) 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.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

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

##### c) Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated inclusive of irrecoverable VAT.

Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

## CLASSICAL OPERA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

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#### 1. ACCOUNTING POLICIES (CONTINUED)

##### c) Resources expended (continued)

- 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.

##### d) Allocation of support and 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.

Support costs represent indirect charitable expenditure in the form of premises costs, communication and information systems support and finance support and similar which are necessary in order to carry out the primary purposes of the charity.

Support costs (including governance costs) are allocated to the above expenditure headings based on employee time spent working in each area.

##### e) Pensions

Classical Opera contributes to a defined contribution pension scheme in the UK and contributions for the year are charged to the statement of financial activities as they become due.

##### f) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. All assets costing £100 or more and with an expected useful economic life exceeding one year are capitalised. 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.

##### g) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for specific purposes.

Designated funds are unrestricted funds which have been set up by the Trustees to hold funds for specific purposes. The aim and use of each designated fund is set out in the notes to the accounts.

## **CLASSICAL OPERA**

### **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2019**

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#### **1. ACCOUNTING POLICIES (CONTINUED)**

##### **g) Fund accounting (continued)**

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. The aim and use of restricted funds held are set out in the notes to the accounts.

Further details of the nature and purpose of the funds is set out in note 13.

##### **h) 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.

##### **i) 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.

##### **j) 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.

##### **k) 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.

##### **l) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term deposit accounts with 35 days notice or less.

##### **m) 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.

## CLASSICAL OPERA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

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#### 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. There were no trustee expenses incurred during the reporting period.

The total amount of donations received without conditions from Trustees and related parties during the reporting period was £500,336 (2018: £498,285).

During the year the charity received sponsorship income of £Nil from Rusada Group SA (2018: £2,500) where the charity's Chairman is a director on the board of the company.

There were no outstanding balances with related parties at the year-end date (2018: £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. INCOME FROM DONATIONS

	Unrestricted funds	Restricted funds	2019 Total	2018 Total
	£	£	£	£
Individual and corporate donations	579,322	15,418	<b>594,740</b>	660,313
Trusts and foundations	-	63,850	<b>63,850</b>	71,630
Local public authorities	-	13,000	<b>13,000</b>	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total donations</b>	<b>579,322</b>	<b>92,268</b>	<b>671,590</b>	<b>731,943</b>

CLASSICAL OPERA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

5. EXPENDITURE BY ACTIVITY TYPE

	Direct costs	Staff costs	Support costs	2019 Total costs	2018 Total costs
	£	£	£	£	£
Cost of raising funds	32,992	65,803	16,948	<b>115,743</b>	159,195
Charitable activities:					
Performance costs	390,603	156,862	96,215	<b>643,680</b>	678,512
Education costs	25,600	19,020	1,910	<b>46,530</b>	41,052
	416,203	175,882	98,125	<b>690,210</b>	719,564
<b>Total expenditure</b>	<b>449,195</b>	<b>241,685</b>	<b>115,073</b>	<b>805,953</b>	878,759

6. SUPPORT COSTS

	2019 Cost of raising funds	2019 Performance costs	2019 Education costs	2019 Total costs	2018 Total costs
	£	£	£	£	£
Staff related costs	2,362	7,064	243	<b>9,669</b>	4,806
Property and related costs	6,189	19,883	707	<b>26,779</b>	26,365
Office expenses	4,201	13,497	480	<b>18,178</b>	21,228
Legal and professional	235	754	27	<b>1,016</b>	599
Marketing and PR	-	42,288	-	<b>42,288</b>	47,464
IT costs	3,402	10,931	389	<b>14,722</b>	17,654
Governance costs	559	1,798	64	<b>2,421</b>	1,750
<b>Total support costs</b>	<b>16,948</b>	<b>96,215</b>	<b>1,910</b>	<b>115,073</b>	<b>119,866</b>

Support costs (including governance) and staff costs are apportioned on the basis of staff time among the charitable activities and the cost of raising funds (note 5).

Direct costs are allocated directly where ever possible.

## CLASSICAL OPERA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

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#### 7. STAFF COSTS

Staff costs were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>219,589</b>	209,698
Social security costs	<b>18,368</b>	17,826
Employers pension contributions	<b>3,728</b>	2,261
<b>Total staff costs</b>	<b>241,685</b>	229,785

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

Key management personnel of the charity comprise the Chief Executive Officer, Finance Manager, Development and Communications Manager and Head of Artistic Administration. The total remuneration of key management personnel (including employer's national insurance and pension contributions) received by the charity's key management personnel in the year was £181,608 (2018: £168,729).

The average employee head count during the reporting period was 7 (2018: 7).

#### 8. NET MOVEMENT IN FUNDS FOR THE YEAR

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
The net movement in funds for the year is stated after charging:		
Depreciation	<b>6,389</b>	6,322
Independent examiner's remuneration	<b>1,906</b>	1850
Independent examiner's fees for other services	<b>386</b>	375

**CLASSICAL OPERA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2019**

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**9. FIXED ASSETS**

	<b>Office equipment</b>
	<b>£</b>
<b>Cost</b>	
At 1 September 2018	25,425
Additions	3,637
	<hr/>
<b>At 31 August 2019</b>	<b>29,062</b>
	<hr/>
<b>Depreciation</b>	
At 1 September 2018	16,493
Charge for year	6,389
	<hr/>
<b>At 31 August 2019</b>	<b>22,882</b>
	<hr/>
<b>Carrying amounts</b>	
<b>At 31 August 2019</b>	<b>6,180</b>
At 31 August 2018	<hr/> 8,932 <hr/>

**10. STOCKS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Stock of CDs held for resale	<b>2,844</b>	2,797
	<hr/>	<hr/>

**11. DEBTORS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Prepayments	<b>23,001</b>	17,207
Theatre and orchestra tax relief	<b>59,781</b>	119,383
Other debtors	<b>44,792</b>	8,834
	<hr/>	<hr/>
	<b>127,574</b>	145,424
	<hr/>	<hr/>

**CLASSICAL OPERA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2019**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>26,798</b>	13,195
Accruals	<b>17,254</b>	15,297
Deferred income	<b>4,594</b>	5,520
Other creditors	<b>1,237</b>	1,278
	<b>49,883</b>	35,290

**13. MOVEMENT IN FUNDS**

	<b>Balance at 1 September 2018</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers in/out</b>	<b>Balance at 31 August 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds:					
General funds	136,510	778,352	(693,088)	(35,716)	<b>186,058</b>
Designated funds:					
Office move fund	30,000	-	-	(15,000)	<b>15,000</b>
Recordings fund	70,000	-	(35,716)	35,716	<b>70,000</b>
M250 live performances fund	60,000	-	-	-	<b>60,000</b>
Touring fund	15,000	-	-	15,000	<b>30,000</b>
	175,000	-	(35,716)	35,716	<b>175,000</b>
<b>Total unrestricted funds</b>	<b>311,510</b>	<b>778,352</b>	<b>(728,804)</b>	<b>-</b>	<b>361,058</b>
Restricted funds:					
Performance funds	5,004	56,268	(41,025)	4,806	<b>25,053</b>
Education funds	16,259	36,000	(36,124)	(4,806)	<b>11,329</b>
	<b>21,263</b>	<b>92,268</b>	<b>(77,149)</b>	<b>-</b>	<b>36,382</b>
<b>Total funds</b>	<b>332,773</b>	<b>870,620</b>	<b>(805,953)</b>	<b>-</b>	<b>397,440</b>

## CLASSICAL OPERA

### NOTES TO THE FINANCIAL STATEMENTS

#### YEAR ENDED 31 AUGUST 2019

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#### 13. MOVEMENT IN FUNDS (CONTINUED)

Restricted income for performances received in the year to 31 August 2019 includes £12,000 from the Cockayne – Grants for the Arts Fund, administered by The London Community Foundation, this receipt is restricted to the Mozart in Italy festival to be held in March 2020.

Designated funds: These comprise amounts which the charity has set aside for the following specific purpose:

- **Office Move:** The charity has been notified that it will probably have to vacate its office in the future. These funds are set aside to cover the cost of an office move and likely increase in rent for a period of two to three years.
- **Recordings:** The charity is committed to its Mozart opera cycle, as well as creating benchmark recordings of other repertoire from the Classical period – these raise the company's profile and leave a lasting legacy of the charity's work. The costs of recordings undertaken in the year are shown above and the fund is maintained at the same level.
- **MOZART 250 Live Performances:** As Mozart developed as a composer, he became more prolific and wrote for larger orchestral forces, so some funding needs to be earmarked now in order to make this valuable, time-sensitive, project achievable. The trustees would ideally like to keep in designated funds of the cost of one staged opera, which is £120,000 in the 2019/20 season.
- **Touring:** The charity is keen to build new audiences and work further afield but funding is required to deliver further performances. This fund will increase the charity's ability to fulfil this aim.

CLASSICAL OPERA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

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14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Net assets are analysed between the funds as follows:

2019	Restricted funds £	Unrestricted funds		Total Funds £
		Designated funds £	General funds £	
Tangible fixed assets	-	-	6,180	6,180
Current assets	36,382	175,000	229,761	441,143
Creditors due within one year	-	-	(49,883)	(49,883)
	<b>36,382</b>	<b>175,000</b>	<b>186,058</b>	<b>397,440</b>

2018	Restricted funds £	Unrestricted funds		Total Funds £
		Designated funds £	General funds £	
Tangible fixed assets	-	-	8,932	8,932
Current assets	21,263	175,000	162,868	359,131
Creditors due within one year	-	-	(35,290)	(35,290)
	<b>21,263</b>	<b>175,000</b>	<b>136,510</b>	<b>332,773</b>