

**Opera North Limited (a company limited by  
guarantee)**

**Trustees' report and financial  
statements**

Registered number 1550778

Charity registration number 511726

31 March 2004



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## Company information and advisors

### Trustees

Michael Beverley (Chairman)  
The Earl of Harewood (Vice Chairman)  
Councillor Bernard P Atha  
Dame Josephine Barstow  
Ann Bishop  
Cllr Judith Blake  
Professor Ray Cowell  
Roger Duckworth  
Lady Eccles of Moulton  
Vivien Gaymer  
John Heller  
Lindsay Mackinlay  
Ron McMillan  
Geoffrey Potter  
Peter Sparling  
Hon Mrs Angela Widdows

### Company Secretary

Helen M Dobson

### Committee Chairs

Finance and General Purposes	Michael Beverley
Nominations	Michael Beverley
Health and Safety	Vivien Gaymer (from October 2003)
Remuneration	Professor Ray Cowell

### General Director

Richard J Mantle

### Auditors

KPMG LLP  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

### Bankers

Coutts & Co  
440 Strand  
London  
WC2R 0QS

### Registered Office

The Grand Theatre  
46 New Briggate  
Leeds  
LS1 6NU

## **Trustees' report to the members of Opera North Limited**

The trustees, who act as directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 31 March 2004.

### **Principal activity**

The principal activity of the company is to encourage the understanding and appreciation of the lyric art by providing, presenting, organising, managing and conducting opera performances, symphony concerts and educational events primarily in the North of England.

### **Business review**

During the course of the year, the company presented 108 full scale opera performances, 23 concerts and a host of community and educational events and collaborations, reaching in excess of 198,000 people.

Thanks are extended to the companies, trusts, Arts Council England, the Leeds City Council, West Yorkshire Grants and other funding bodies and individuals who support the company and enable it to provide a full and varied programme of activity.

In addition to its Leeds base and the three regular cities on the company's touring circuit, Newcastle, Nottingham and Manchester, the company has presented main-stage opera to audiences in Sheffield, Hull and Norwich. The repertoire has been a mix of new and revival productions. The company also presented 2 performances of Julietta in Glasgow as part of the Arts Council England cross border touring initiative.

The Orchestra of Opera North has undertaken a full programme of concerts alongside the operatic season and following a successful bid has completed the first year of a three year contract as principal orchestra in the Kirklees concert series, which covers the Dewsbury and Huddersfield concert programmes.

This has been another busy year for the projects wing – the area of work dedicated to the development of the operatic form through commissions, training and education. Particular highlights include a film commission by visual artist Mariele Neudecker to accompany live performances of Schubert's song cycle Winterreise (A Winter's Journey). The result, 24 short films about snow, went on to have a double life: as a backdrop to live recitals and as a gallery installation with recorded music. Another project worthy of note was a collaboration with the Bonington Gallery in Nottingham to commission and present three works by the digital artist Andy Eccleston. The exhibition included the use of tiny cameras to photograph the insides of musical instruments, creating beautiful, other-worldly secret landscapes.

Opera North's annual 'Resonance' project continued to gather pace. The project is primarily conceived as a research laboratory for artists from outside the operatic world to explore music and the voice. It has an annual 'platform' where new, experimental performances are presented to a ticket-buying audience. The project has already developed nine new works and supported residencies for more than 30 artists.

In the Chamber Music arena Opera North presented three concerts of music by the acclaimed Argentinian tango composer Astor Piazzolla. For these performances the core Opera North ensemble was joined by specialists of the classical tango, including the Finnish bandoneonista, Kristina Kuusisto.

Opera North Education continues to provide a number of exciting programmes and creative workshops exploring opera through music, story and text in conjunction with directors, singers and musicians. Creative programmes include song-writing and composition projects which prove very popular and rewarding for all participants. Following a successful mainstage Magic Flute production, Opera North Education produced The Little Magic Flute, performed by puppets and singers. This production was aimed at the younger audience and has enjoyed a successful extended tour around the region.

Progress is being made on the joint capital project with the Leeds Grand Theatre to refurbish the theatre environment and create a permanent home for Opera North. Architects, design team and project managers have been appointed and are working towards finalising development plans for submission to Arts Council England for final assessment. Fundraising for this project has begun in earnest and donations are being handled by The Opera North and Leeds Grand Theatre Development Trust.

## **Trustees' report** *(continued)*

### **Cumulative deficit**

The cumulative deficit for the company as at 31 March 2004 is £530,906.

The various funds of the charity are accounted for as follows:

Restricted funds are funds subject to specific trusts which have been declared by the donor(s) but still within the objects of the charity.

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity.

Unrestricted funds earmarked for particular purposes by the trustees are designated as separate funds. The designation has an administrative purpose only, and does not legally restrict the trustees discretion to apply the fund.

The company is working towards the eradication of its accumulated deficit and is building larger contingencies into operating budgets to address this. The company's three year business plan seeks to substantially reduce the cumulative deficit by 31 March 2006. Thereafter budgets will contain sufficient contingency with a view to building up a small surplus to cater for normal business fluctuations.

### **Trustees and trustees' interests**

The trustees, who are also directors, who served during the year were as follows:

Michael Beverley (Chairman)  
The Earl of Harewood (Vice Chairman)  
Cllr Bernard Atha  
Dame Josephine Barstow  
Professor Ray Cowell  
Lady Eccles of Moulton  
John Heller  
Penelope Hemming (resigned 6 February 2004)  
Lindsay Mackinlay  
Cllr Tom Murray (resigned 7 July 2003)  
Sally Neocosmos (resigned 5 December 2003)  
Lynn Port (resigned 28 August 2003)  
Peter Sparling  
Ann Bishop (appointed 24 October 2003)  
Cllr Judith Blake (appointed 24 October 2003)  
Vivien Gaymer (appointed 24 October 2003)  
Ron McMillan (appointed 24 October 2003)  
Geoffrey Potter (appointed 24 October 2003)  
Hon Mrs Angela Widdows (appointed 24 October 2003)  
Roger Duckworth (appointed 5 December 2003)

In accordance with the articles of association, Lady Eccles of Moulton, Dame Josephine Barstow, John Heller, Ann Bishop and Roger Duckworth retire by rotation and being eligible, offer themselves for re-appointment. Cllr Bernard Atha is trustee as representative of the Board of Leeds Grand Theatre and Opera House Limited and is not subject to retirement by rotation.

The Nominations Committee recommends appointment of all members to the Board of Trustees. All trustees are members of Opera North Limited.

Dame Josephine Barstow, trustee, from time to time has a contract with the company to perform as an artist for which she is entitled to receive remuneration under section 26 of the Charities Act 1993. No other trustee has any contract with the company.

### **Company and taxation status**

The company is limited by guarantee, company registered number 1550778 and registered as a charity under the Charities Act 1993, charity registered number 511726. It is governed by its memorandum and articles of association. The company enjoys charitable status for taxation purposes.

## Trustees' report *(continued)*

### Corporate governance

The company has, in the opinion of the directors, a strong corporate governance environment appropriate for its size and operations.

### Risk Management

During the course of the year the company has identified and assessed the major risks facing the business. This has resulted in the compilation of a risk register identifying systems and procedures to mitigate those risks. This is a working document and is subject to review by the Finance and General Purposes Committee.

### Health and Safety

There is a strong health and safety culture within the company and a firm commitment to ensure a safe environment for staff, guest performers and visitors. The committee is chaired by a member of the Board and comprises elected representatives from all areas within the organisation together with the General Director and three senior managers ex-officio. The committee oversees strategy and policy, training needs, compliance with legislation and ensures regular work place inspections are carried out in all its venues.

### Investment Powers

Under the memorandum and articles of association, the company has the power to deposit or invest funds in any manner (but to invest only after obtaining advice from an authorised or exempted person within the meaning of the Financial Services Act 1986 and having regard to the suitability of the investments and the need for diversification).

### Statement of trustees' responsibilities

Law applicable to incorporated charities in England and Wales requires the trustees, who are also the directors of the company, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company at the end of the year and of its financial activities during the year then ended. In preparing those financial statements, the trustees are required to:

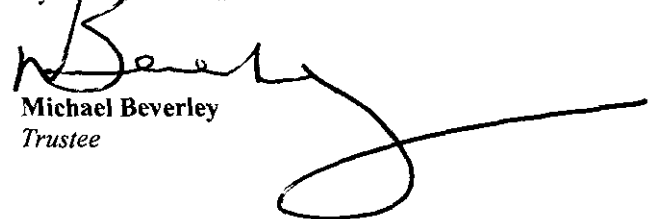
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

### Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



Michael Beverley  
Trustee

Grand Theatre  
46 New Briggate  
LEEDS  
LS1 6NU

18 June 2004



1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

## **Report of the independent auditors to the members of Opera North Limited (Limited by Guarantee)**

We have audited the financial statements on pages 6 to 18.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### *Respective responsibilities of trustees and auditors*

As described on page 4, the trustees, who are also the directors of Opera North Limited for the purposes of company law are responsible for preparing the trustees' report and the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

### *Basis of audit opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### *Opinion*

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 March 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG LLP**

*Chartered Accountants*

*Registered Auditor*

18 June 2004

**Statement of financial activities**  
*for the year ended 31 March 2004*

	<i>Note</i>	<b>2004</b> <b>Unrestricted</b> <b>funds</b> <b>£</b>	<b>2004</b> <b>Restricted</b> <b>funds</b> <b>£</b>	<b>2004</b> <b>Total</b> <b>funds</b> <b>£</b>	<b>2003</b> <b>Total</b> <b>funds</b> <b>£</b>
<b>Incoming resources</b>					
Grants receivable	3	9,768,964	-	9,768,964	8,961,240
Sponsorship and fundraising		599,760	378,043	977,803	886,244
Less: income deferred to next year	3	(900,000)	-	(900,000)	(900,000)
Income from trading activities	4	2,555,848	-	2,555,848	2,060,167
Investment income	6	160,900		160,900	134,470
<b>Total incoming resources</b>		<b>12,185,472</b>	<b>378,043</b>	<b>12,563,515</b>	<b>11,142,121</b>
<i>Less cost of generating funds:</i>					
Fundraising and publicity	5	1,127,886	-	1,127,886	1,202,745
<b>Net incoming resources for charitable application</b>		<b>11,057,586</b>	<b>378,043</b>	<b>11,435,629</b>	<b>9,939,376</b>
<b>Charitable expenditure</b>					
Cost of productions and performances	5	9,480,712	378,043	9,858,755	9,306,590
Support costs	5	1,283,443	39,620	1,323,063	1,202,247
Management and administration	5	51,165	-	51,165	49,888
Interest payable	9	2,061	-	2,061	2,950
<b>Total charitable expenditure</b>		<b>10,817,381</b>	<b>417,663</b>	<b>11,235,044</b>	<b>10,561,675</b>
<b>Total expended resources</b>	5	<b>11,945,267</b>	<b>417,663</b>	<b>12,362,930</b>	<b>11,764,420</b>
Net movement in funds		240,205	(39,620)	200,585	(622,299)
Fund balance brought forward at start of year		(771,111)	2,345,497	1,574,386	2,196,685
<b>Fund balance carried forward at end of year</b>	15	<b>(530,906)</b>	<b>2,305,877</b>	<b>1,774,971</b>	<b>1,574,386</b>

The charitable company has no recognised gains or losses other than the net movement in funds for the year.



**Summary income and expenditure account**  
*for the year ended 31 March 2004*

	Note	Continuing operations		2003
		2004		
		£	£	£
<b>Income</b>				
Grants, sponsorship and fundraising		9,780,982	8,779,334	
Stabilisation grant		65,785	168,150	
Income from trading activities	4	2,555,848	2,060,167	
Investment income	6	160,900	134,470	
		<u>          </u>	<u>          </u>	
		12,563,515		11,142,121
<b>Expenditure</b>				
Staff costs	8	5,253,715	4,933,921	
Production costs	5	5,504,359	5,163,144	
Fundraising and publicity	5	840,857	928,700	
Support costs	5	741,673	715,817	
Management and administration	5	20,265	19,888	
Interest payable	9	2,061	2,950	
		<u>          </u>	<u>          </u>	
		12,362,930		11,764,420
		<u>          </u>		<u>          </u>
<b>Surplus/(Deficit) for the financial year</b>	6	<u>200,585</u>		<u>(622,299)</u>

There is no difference between the results as disclosed in the summary income and expenditure account and the results on an unmodified historical cost basis.

There are no recognised gains and losses apart from those included in the above summary income and expenditure account.

**Balance sheet**  
*as at 31 March 2004*

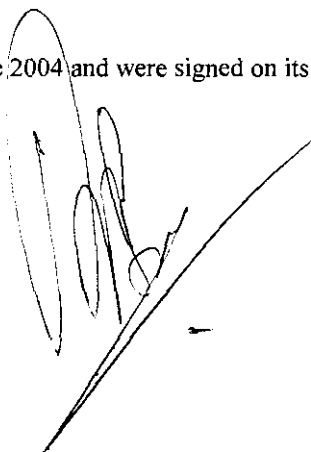
	Note	2004	2003
		£	£
<b>Fixed assets</b>			
Tangible assets	10	2,355,836	2,395,904
<b>Current assets</b>			
Debtors due within one year	11	991,464	860,990
Debtors due after more than one year	11	-	23,221
Cash at bank and in hand		18,099	1,400
		<u>1,009,563</u>	<u>885,611</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,590,428)</u>	<u>(1,707,129)</u>
<b>Net current liabilities</b>		<u>(580,865)</u>	<u>(821,518)</u>
<b>Total assets less current liabilities</b>		<u>1,774,971</u>	<u>1,574,386</u>
<b>Creditors: amounts falling due after more than one year</b>	13	-	-
<b>Net assets</b>		<u>1,774,971</u>	<u>1,574,386</u>
<b>Funds</b>			
Unrestricted	15	(530,906)	(771,111)
Restricted	15	2,305,877	2,345,497
		<u>1,774,971</u>	<u>1,574,386</u>

These financial statements were approved by the board of trustees on 18 June 2004 and were signed on its behalf by:

M Beverley  
Trustee



P N Sparling  
Trustee



**Cash flow statement**  
*for the year ended 31 March 2004*

	<i>Note</i>	<b>2004</b> £	<b>2003</b> £
<b>Reconciliation of operating surplus/(deficit) to net cash inflow from operating activities</b>			
Surplus/(excess) of expenditure over income (as adjusted for interest received and interest paid)		171,399	(654,677)
Depreciation charge		136,394	128,093
Loss on disposal of fixed assets		-	3,698
(Increase)/decrease in debtors		(107,253)	11,278
Increase/(decrease) in creditors		159,398	194,944
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>		<b>359,938</b>	<b>(316,664)</b>
		<hr/>	<hr/>
<b>Cash flow statement</b>			
Net cash inflow/(outflow) from operating activities		359,938	(316,664)
Returns on investments and servicing of finance	18	29,186	32,378
Capital expenditure	18	(96,326)	(74,707)
Financing	18	(9,000)	(18,000)
		<hr/>	<hr/>
<b>Increase/(Decrease) in cash</b>		<b>283,798</b>	<b>(376,993)</b>
		<hr/>	<hr/>
Increase/(Decrease) in cash in the year		283,798	(376,993)
Cash outflow from decrease in lease financing		9,000	18,000
		<hr/>	<hr/>
<b>Change in net funds/(debt) resulting from cash flows</b>		<b>292,798</b>	<b>(358,993)</b>
New finance leases		-	-
		<hr/>	<hr/>
<b>Movement in net funds/(debt) in the year</b>		<b>292,798</b>	<b>(358,993)</b>
Net (debt)/funds at 1 April 2003		(274,699)	84,294
		<hr/>	<hr/>
<b>Net funds/(debt) at 31 March 2004</b>	19	<b>18,099</b>	<b>(274,699)</b>
		<hr/>	<hr/>

## Notes

*(forming part of the financial statements)*

### 1 Company status

The company is limited by guarantee and registered as a charity under the Charities Act 1993 (registered charity number 511726). Accordingly the financial statements have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) issued October 2000, and the Companies Act 1985.

Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up during the time that he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the company contracted before the time he ceases to be a member, and of the costs, charges and expense of winding up the same, and for the adjustment of the rights of the contributors themselves, such amount as may be required not exceeding one pound.

### 2 Accounting policies

#### *Accounting convention*

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) issued in October 2000 and applicable accounting standards, under the historic cost convention and on a going concern basis on the assumption that:

- 1) Grants, sponsorships and fundraising will continue to be received in the foreseeable future to cover any working capital deficit.
- 2) The company's bankers will continue, if necessary, to provide further facilities in the foreseeable future to enable the company to meet its commitments as they fall due.

The company currently has an unrestricted funds deficit. Its working capital requirements in respect of its unrestricted activities are funded to the extent necessary by bank borrowings.

#### *Form of accounts*

In view of the nature of the company's activities, the headings in the Companies Act 1985 Schedule 4 are prescribed to be inappropriate and a summary income and expenditure account is presented in place of the prescribed profit and loss account. The trustees have taken advantage of paragraph 3(3) of schedule 4 to the Companies Act 1985 which allows the preparation of accounts to be adapted to reflect the special nature of the charitable company's activities.

#### *Incoming Resources*

Income is recognised in the year in which entitlement and the amount can be measured with reasonable certainty. Income is deferred only when the company has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period. Donations are credited in the accounting period in which the cash is received.

#### *Depreciation*

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Freehold land	-	No depreciation
Freehold buildings	-	50 years
Leasehold improvements	-	3 years
Commercial vehicles - leased	-	5 years
- owned	-	4 years
Equipment and musical instruments	-	3 years

Capital expenditure below £500 is not capitalised.

## Notes (continued)

### 2 Accounting policies (continued)

#### *Leases and hire purchase agreements*

Assets held under finance agreements that give rights approximating to ownership are treated as if they had been purchased outright at the present value of the total amount payable during the primary period of the agreements.

The corresponding financial commitments are shown as creditors. The interest element of payments under these agreements and depreciation on the relevant assets are charged to the income and expenditure account.

The rentals arising under operating lease agreements are charged to the income and expenditure account over the terms of the agreements.

#### *Pensions*

The company contributes a percentage of salary to employees who have personal pension schemes. The company has nominated a Stakeholder Pension Provider in full compliance with government guidelines.

#### *Expenditure*

Expenditure is accounted for on an accruals basis. The company does not incur any significant expenditure that requires apportioning between different expenditure categories. Irrecoverable VAT is included in the relevant cost category to which it relates.

Production costs are written off at the first performance and no residual values are carried forward. Expenditure on future productions is included in prepayments.

### 3 Grants receivable

	Total 2004 £	Total 2003 £
Arts Council of England	8,603,288	7,785,648
Local Authorities	1,165,406	1,175,592
	<hr/> 9,768,964 <hr/>	<hr/> 8,961,240 <hr/>

Included in the above, are grants received totalling £900,000 (2003: £900,000) (see note 12) and £65,785 (2003: £168,150) in respect of the stabilisation programme for the current financial year.

## Notes (continued)

### 4 Income from trading activities

	2004 £	2003 £
Opera box office receipts	2,139,305	1,848,418
Concerts receipts	229,219	211,749
Engagement fees	187,324	-
	<u>2,555,848</u>	<u>2,060,167</u>

### 5 Total resources expended

	Staff costs £	Other costs £	Depreciation £	Total 2004 £	Total 2003 £
Costs of productions and performances	4,354,396	5,454,815	49,544	9,858,755	9,306,590
Fundraising and publicity	287,029	840,857	-	1,127,886	1,202,745
Support costs	581,390	654,823	86,850	1,323,063	1,202,247
Management and administration	30,900	20,265	-	51,165	49,888
Interest payable	-	2,061	-	2,061	2,950
	<u>5,253,715</u>	<u>6,972,821</u>	<u>136,394</u>	<u>12,362,930</u>	<u>11,764,420</u>

Other support costs can be further analysed as:

	2004 £	2003 £
Rehearsal, storage and premises rental	205,551	269,559
IT equipment, licences and maintenance	74,932	65,828
Freehold premises maintenance	64,766	53,049
Insurance	63,207	40,939
Finance costs	11,852	9,132
General office costs	234,515	204,458
	<u>654,823</u>	<u>642,965</u>

Other management and administration costs can be further analysed as:

	2004 £	2003 £
Legal fees	3,265	3,638
Audit fees	7,500	8,250
General office fees	9,500	8,000
	<u>20,265</u>	<u>19,888</u>

**Notes** *(continued)*

**6 Excess of expenditure over income for the financial year**

The surplus/excess of expenditure over income for the financial year as shown in the statement of financial activities is stated:

	2004 £	2003 £
<i>After charging:</i>		
Auditors' remuneration - audit fees	7,500	8,250
Depreciation - on owned assets	136,394	107,409
- on leased assets	-	20,684
Operating lease rentals - land and buildings	107,190	107,190
- other	22,538	22,538
	<hr/>	<hr/>
<i>And after crediting:</i>		
Bank deposit interest	31,247	35,328
Rental income from non-investment property	129,653	99,142
	<hr/>	<hr/>

**7 Remuneration of trustees**

None of the trustees holding office during the year received any payment for their services as trustees or reimbursement of expenses (2003: £nil). Dame Josephine Barstow performs as an artist and is entitled to receive remuneration under section 26 of the Charities Act 1993. Remuneration received for performances during the year amounted to £nil (2003: £23,200).

**Notes** *(continued)*

**8 Staff numbers and costs**

The average number of permanent staff employed by the company during the year, analysed by category, was as follows:

	2004	2003
Orchestra, chorus and music	100	102
Technical	36	35
Administration	28	27
Community and education	4	4
	<u>168</u>	<u>168</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	4,551,458	4,308,916
Social security costs	514,233	445,694
Pension costs	188,024	179,311
	<u>5,253,715</u>	<u>4,933,921</u>

The number of employees whose emoluments fell within each of the following bands was:

	2004	2003
£50,000 - £59,999	2	1
£60,000 - £69,999	1	2
	<u>3</u>	<u>3</u>

Company pension contributions in respect of the above employees totalled £16,725 in the year.

The company also employed casual staff at various times during the year.



## Notes (continued)

### 9 Interest payable

	2004 £	2003 £
On bank loans, overdrafts and other loans wholly repayable within five years	124	485
Finance charges payable in respect of finance leases	1,937	2,465
	<u>2,061</u>	<u>2,950</u>

### 10 Tangible fixed assets

	Land £	Freehold Buildings £	Leasehold improvements £	Commercial vehicles Owned £	Commercial vehicles Leased £	Equipment and musical instruments £	Total £
<b>Cost</b>							
At beginning of year	550,000	1,853,035	118,196	14,750	39,759	690,091	3,265,831
Additions	-	2,854	-	15,072	-	78,400	96,326
Disposals	-	-	-	-	-	-	-
At end of year	<u>550,000</u>	<u>1,855,889</u>	<u>118,196</u>	<u>29,822</u>	<u>39,759</u>	<u>768,491</u>	<u>3,362,157</u>
<b>Depreciation</b>							
At beginning of year	-	89,691	118,196	14,250	39,759	608,031	869,927
Charge for year	-	46,954	-	4,268	-	85,172	136,394
At end of year	<u>-</u>	<u>136,645</u>	<u>118,196</u>	<u>18,518</u>	<u>39,759</u>	<u>693,203</u>	<u>1,006,321</u>
<b>Net book value</b>							
At 31 March 2004	<u>550,000</u>	<u>1,719,244</u>	<u>-</u>	<u>11,304</u>	<u>-</u>	<u>75,288</u>	<u>2,355,836</u>
<b>Net book value</b>							
At 31 March 2003	<u>550,000</u>	<u>1,763,344</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>82,060</u>	<u>2,395,904</u>

Included within equipment and musical instruments are assets subject to finance leases which have a cost of £82,000 (2003: £82,000) and net book value of £nil (2003: £10,250).

All tangible fixed assets are held for direct charitable purposes.

Within the freehold building, Premier House, two floors are let on a one year lease prior to full occupation by the company. In addition, part of the ground floor of the building is occupied by a third party on a 25 year lease (18 years remaining), for which an annual rental is receivable. This portion of the building has been included within functional fixed assets as the trustees do not consider it appropriate to treat this portion as an investment property.

## Notes (continued)

### 11 Debtors

	2004 £	2003 £
Trade debtors	138,929	73,685
Other debtors	152,408	146,342
Prepayments and accrued income	700,127	664,184
	<u>991,464</u>	<u>884,211</u>

Included within prepayments and accrued income are amounts due after more than one year of £nil (2003: £23,221).

### 12 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank overdraft	-	267,099
Trade creditors	359,329	294,236
Social security and other taxes	108,536	100,651
Accruals and deferred income	1,114,557	1,028,374
Finance lease obligations (note 14)	-	9,000
Other creditors	8,006	7,769
	<u>1,590,428</u>	<u>1,707,129</u>

Included within deferred income are grant payments from Arts Council England totalling £900,000 (2003: £900,000), (see note 3).

### 13 Creditors: amounts falling due after more than one year

2004 £	2003 £
-	-
<u>-</u>	<u>-</u>

### 14 Finance lease obligations

	2004 £	2003 £
<i>Amounts falling due:</i>		
Within one year	-	9,000
Within second to fifth years	-	-
	<u>-</u>	<u>9,000</u>

## Notes (continued)

### 15 Reconciliation of movement in funds

	Unrestricted 2004 £	Restricted 2004 £	Total 2004 £	Total 2003 £
Excess of income/expenditure over income for the year	240,205	(39,620)	200,585	(622,299)
Accumulated balance brought forward	(771,111)	2,345,497	1,574,386	2,196,685
Accumulated balance carried forward	(530,906)	2,305,877	1,774,971	1,574,386

### Analysis of net assets between funds

	Unrestricted 2004 £	Restricted 2004 £	Total 2004 £	Total 2003 £
Tangible Fixed assets	49,959	2,305,877	2,355,836	2,395,904
Cash at bank and in hand	18,099	-	18,099	1,400
Other net current assets/liabilities	(598,964)	-	(598,964)	(822,918)
	(530,906)	2,305,877	1,774,971	1,574,386

### 16 Operating lease commitments

	2004		2003	
	Land and buildings £	Other £	Land and buildings £	Other £
<i>Annual commitments in respect of operating leases which expire:</i>				
Within second to fifth years	-	22,538	-	22,538
After five years	107,190	-	107,190	-
	107,190	22,538	107,190	22,538

### 17 Commitments

There are no capital commitments at 31 March 2004 for which provision has not been made (2003: £nil).

## Notes (continued)

### 18 Gross cash flows

	£	2004	£	2003	£
<b>Returns on investments and servicing of finance</b>					
Interest received	31,247		35,328		
Interest paid	(124)		(485)		
Interest element of finance lease rental payments	(1,937)		(2,465)		
		<u>29,186</u>		<u>32,378</u>	
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets	(96,326)		(76,007)		
Proceeds of sale of tangible fixed assets	-		1,300		
		<u>(96,326)</u>		<u>(74,707)</u>	
<b>Financing</b>					
Capital element of finance lease rental payments		<u>(9,000)</u>		<u>(18,000)</u>	

### 19 Analysis of changes in net debt

	At 31 March 2003 £	Cash flows £	At 31 March 2004 £
Cash in hand and at bank	1,400	16,699	18,099
Overdrafts	(267,099)	267,099	-
Finance lease	(9,000)	9,000	-
	<u>(274,699)</u>	<u>292,798</u>	<u>18,099</u>
<b>Total</b>	<u>(274,699)</u>	<u>292,798</u>	<u>18,099</u>