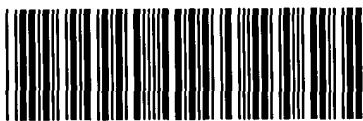


GRANGE PARK OPERA
FINANCIAL STATEMENTS
31 AUGUST 2019

THURSDAY



A95J0U80

A14

21/05/2020

#177

COMPANIES HOUSE

Registered number

3490791

GRANGE PARK OPERA

LEGAL AND ADMINISTRATIVE INFORMATION

Status

The organisation is a charitable company limited by guarantee, incorporated on 6 January 1998 and registered as a charity on 11 February 1998.

The company was established under a memorandum of association which specifies the objects and powers of the charitable company and it is governed under its articles of association.

The company's registered number is 3490791 and charity number is 1068046.

Board of directors

The board of directors are also trustees and are as follows:

Simon Freakley (chairman)	Hilary Cowan
Joanna Barlow	Sir David Davies
Anthony Bugg	Dame Vivien
Prof Iain Burnside	David Kershaw
Sue Butcher	Keith Weed

Company secretary

Eleanor Cranmer

Chief executive

Wasfi Kani OBE

Registered office

1st Floor Long Barn
Sutton Manor Farm
Bishop's Sutton
Alresford
Hampshire
SO24 0AA

Auditors

WSM Advisors Limited
Chartered Accountants and Registered Auditors
Connect House
133-137 Alexandra Road
London
SW19 7JY

Bankers

Barclays Bank plc
Kingsland
PO Box 3628
London
E8 2JK

GRANGE PARK OPERA

TRUSTEES' ANNUAL REPORT

31 AUGUST 2019

Grange Park Opera was founded in 1998. Each year it has conceived and delivered new internationally recognised productions and created significant seasonal employment. The seven week season runs in June and July. The first season in the new opera house at West Horsley Place, Surrey, was held in summer 2017.

Structure, governance and management

The trustees present their report and the audited financial statements of the charitable company and its wholly owned subsidiary GPO Productions Limited for the year ended 31 August 2019.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the charity's Memorandum and Articles of Association, and 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) as amended for accounting periods commencing from 1 January 2016.

Reference and administrative information set out on page 1 forms part of this report.

Details of GPO Productions Limited are set out in note 16.

The board of directors are also trustees and are as follows:

Simon Freakley (chairman)	
Joanna Barlow	
Anthony Bugg	
Prof Iain Burnside	
Hilary Cowan	Appointed 13 March 2019
Sue Butcher	Appointed 1 November 2017
Sir David Davies	
Dame Vivien Duffield	
David Kershaw	Appointed 1 November 2017
Keith Weed	Appointed 19 February 2018

New trustees are appointed by the existing trustees on the basis that they will provide the board with skills and experience appropriate to the needs of the charity. They are usually already familiar with Grange Park Opera, but are also given additional background information by the board and management of the charity by way of induction. Trustees are provided with further training as required. Board members retire by rotation every three years, but continue to be eligible for re-election. Macfarlanes Solicitors undertook an independent review of governance at Grange Park Opera in 2014, reporting their findings and recommendations to the Board, which implemented them in full.

The board meets at least three times a year and is responsible for the strategic direction and policy of the charity. Day to day responsibility is delegated to the chief executive who reports to the Chairman on a regular basis and presents to the board at each meeting. Decisions on significant matters are presented to the board for approval. In addition to formal meetings, individual trustees advise various other members of staff on their areas of speciality, such as artistic matters and marketing.

Objectives

The objects of the charity

The objects of the charity are to advance education through the promotion, support and encouragement of the art of music and drama and in particular the promotion, encouragement and appreciation of opera.

GRANGE PARK OPERA

TRUSTEES' ANNUAL REPORT cont.

31 AUGUST 2019

Objectives - cont.

Mission statement

Grange Park Opera exists to create high quality productions that inspire, challenge, and entertain, to reach out to a wide audience including those who have never experienced opera, to encourage learning and appreciation of opera, and to make a meaningful contribution to the wide artistic community.

At the heart of the company is a commitment to presenting both international and rising talent and to abolish the myth of elitism that surrounds opera.

Grange Park Opera works closely with sister charity Pinlico Opera on remarkable outreach programmes in prisons and primary schools.

Strategies for achieving objectives

1. Present productions of the highest possible standard, mixing traditional repertoire with the unexpected, within the resources available.
2. Appoint prestigious and internationally renowned stage directors, conductors, designers, and singers, striving for ever higher artistic standards. Engage highest quality orchestras and chorus members.
3. Provide opportunities and support for young singers by appointing them to smaller principal roles when appropriate, and appointing chorus members to other small roles.
4. Create many job opportunities for other artists, creative and technical professionals.
5. Nurture younger artists with scholarships and performance development.
6. To widen the audience demographic and pioneer new initiatives for the younger audience.
7. To increase awareness of the festival; reaching out to new relationships and maximizing the existing ones.
8. Collaborate with and support Pinlico Opera's work in prisons and primary schools.
9. Broaden income streams.
10. Balance the charity's supply of opera and other events against demand.
11. Carry out appropriate Risk Assessments for all areas and activities so that the risks may be minimised and the activities carried out as safely as possible.
12. Operate, wherever possible, in a sustainable way with a view to reducing our environmental impact.

Review of activities

The artistic programme

Artistically, 2019 was an exceptionally strong vintage. All three operas (Don Carlo, Porgy & Bess, Hänsel und Gretel) elicited an overwhelmingly positive audience reaction and warm critical approval. Both orchestras were excellent: ENO orchestra played for Don Carlo and Hänsel, BBC Concert Orchestra played for Porgy. Both choruses were admirable, trained by Head of Music Philip White.

Don Carlo was an exceptional achievement: Jo Davies' 2016 Hampshire production was expanded to fill the larger Surrey theatre and much of the casting was of international calibre: Costa-Jackson, Donose, Capaldo, Polegato and Bayley all deserve huge credit. The chorus blazed. The opera world took notice. Porgy & Bess was performed by a Black, Asian and Minority Ethnic (BAME) cast and the audience were wildly enthusiastic and, by the end, shell shocked: the popularity of individual numbers defying the dark biting tragedy. Musa Ngqungwana was outstanding as Porgy and the cast combined opera and music theatre skills. Hänsel und Gretel became the runaway hit of the festival: The apparent simplicity of Stephen Medcalf's production, allied to the wonders of Humperdinck's score, created magic: The lamplighter's ballet touched many hearts. Legendary Wagnerian Susan Bullock as the witch / mother led a fine, balanced cast. George Jackson was a notable arrival on the conductor's podium.

Visually, the operas offered huge variety from the cool depiction of the Escorial in Don Carlo, to the Victorian sweet shop of Hänsel and the township of Porgy and Bess.

GRANGE PARK OPERA

TRUSTEES' ANNUAL REPORT cont.

31 AUGUST 2019

Review of activities - cont.

The two additional concerts sprinkled stardust and added lustre to the company profile. Though linked by star quality these two evenings could not have been more contrasted in style or content. There was rapturous response for Joyce DiDonato's recital with pianist Iain Burnside and she rounded it off with an extraordinary impromptu speech in support of the company. Simon Keenlyside's jazz evening was an informal ending to the 2019 season. Both Joyce DiDonato and Simon Keenlyside admired the acoustic and the spirit of the place.

The third Surrey opera season generated a small surplus with a small downturn in ticket revenue. Many audience continue to visit from Hampshire and the new Surrey audience, taken with the vast potential of London, promises a bright future.

In autumn / winter 2018 there were two events in the opera house, attended in total by nearly 1,000 people. In May 2019 the GPO chorus performed at the opening of the new retractable roof at Wimbledon Court no1 to an audience of more than 12,000.

Support for Capital and Revenue streams

The capital campaign launched in November 2015 had at 31 August 2018 achieved £11.66m from 867 donors with pledged funds exceeding projected Project Costs. The revenue stream was supported by 635 personal donors of which 27 gave large gifts.

Engendering a sense of family is key to donor retention and development. Outside the opera season there were many group events for members and ticket buyers, at some of which younger artists are engaged to perform, providing a valuable platform for them. Events included a patrons' tour to the opening of the Verdi Festival in Parma, ENO Harewood Artists performing at the Rothschild Sky Pavilion, a talk with 106-year-old Dr Bill Frankland with ROH Jette Parker young artists, a Grand Winter Dinner at Goldsmiths' Hall, and backstage tours.

The Meteors scheme for Under-35s was started in 2009. The proximity to London and a nearby station make the Theatre in the Woods attractive to young people. Meteors can buy seats for £35 in all parts of the auditorium before booking opens to the general public. There are 2,213 Meteors registered.

There is a very small corporate presence (less than 5% of the audience) at GPO and the summer season remains predominantly a place for individuals.

Financially, the charity is on a sound footing with positive cash reserves. Contributions to the capital stream have slowed but pledged funds exceed build costs to date. The revenue stream is steady (commercial sponsors, singer sponsors, annual donors and catering) and as the need for capital funds diminishes revenue income pledged for FY20 has increased.

Phase 3 building improvements in place for this third season are described below.

New income streams

The Red Butterfly Foundation funded the set up of the American Friends of Grange Park Opera (directors: Rafaela Evans, Marie Veeder and Lee Cervantes Millbern) and the first gifts were granted in August 2019. The legators group (The Immortals & Beloveds) has 46 members. The first dinner was held in November 2018 and a second is scheduled for November 2019.

GRANGE PARK OPERA

TRUSTEES' ANNUAL REPORT cont.

31 AUGUST 2019

Review of activities - cont.

The venue

Where in June 2016 stood a wood, now sits an elegant five-storey opera house. To build a permanent structure for opera in the UK is an extraordinary and rare achievement and Grange Park Opera is immensely proud to have made this contribution to the cultural life of the nation for a second time.

Following the 2018 season the major building works included an exterior 14-column colonnade providing shelter and a bonded-gravel "piazza" in front of the theatre which significantly increased audience enjoyment. Climbing roses planted at the base of each column had, by August 2019, already reached the colonnade roof.

Other venue improvements included a new champagne / coffee bar under the colonnade, concrete dock yard, exterior light drawing on theatre, interior resin floors, and a substage props store.

The Mary Roxburghe Trust have been making progress with building works and GPO looks forward to collaborating on plans for the overall site.

People

- GPO gave work to more than 400 people, of whom around 120 were from the local area.
- GPO engaged 57 chorus members as a result of auditioning over two hundred singers, some of whom are recent graduates from music colleges.
- Many roles are in specialist theatrical skills (wigs, costumes, etc.) where GPO's high quality productions offer valuable experience and contribute to the UK's exceptional skill base in these areas.
- Local volunteers reporting to the Head of Volunteers undertook a broad range of duties.
- GPO has not tried to quantify the wider contribution to the local economy: bed and breakfasts, taxis and other suppliers who are supported by the festival.
- There are 15 central staff and several consultants engaged on opera business throughout the year.

Access

5 local school children were in the productions of Porgy & Bess and Don Carlos.

100 Primary Robins gave a concert in the theatre during the season. They played in the orchard and, coming from disadvantaged backgrounds, experienced a novel inspiring day of music and nature.

Musical Chairs are free seats for young people who simply would not otherwise be able to come to the opera. Some are music students and others are just inquisitive. 42 seats were donated. Many come to see their first opera - or make their first visit to a theatre.

A further 132 free performance tickets were given to schoolchildren.

552 Meteors attended as part of our reduced price scheme for the under-35s.

Planned Pathway Scholarships

Alongside international artists in principal roles, the charity employed 42 younger singers in the chorus, as understudies and in smaller roles. They benefit greatly from the skill and experience of their elders. After graduation singers tread a precarious path. At a time when their earning capacity is lowest, the need for this costly training is greatest in order for them to achieve their potential. During the audition process, certain younger singers stand out as exceptional. Of those, some are not managing to finance lessons/coaching. This comes to light in their response to the question, "when did you last have a lesson?" It is these singers who need support.

The size of scholarships varies; some might receive £500 towards lessons or coaching to learn a cover role; for others support is more significant.

We monitor how their scholarship is spent by paying teachers direct; we evaluate vocal progress by re-auditioning; at the end of the festival, we gather testimonials from recipients. The Planned Pathway scholarships are one of many initiatives with younger people.

GRANGE PARK OPERA

TRUSTEES' ANNUAL REPORT cont.

31 AUGUST 2019

Review of activities - cont.

Performance development

The ethos of GPO is to nurture young singers in operas with high production values. They start off in the chorus. Younger artists learn partly by example. Sharing the stage with international artists, they learn not just how to conduct themselves on stage, but how to prepare, warm up, pace their performances and more.

Some have a "step out" small role and some cover (understudy) the principals. In order to take full advantage of such opportunities it is vital these post-graduate students continue lessons and coachings in both music and language and that is why GPO gives scholarships.

Scholarship recipients are chosen by the Head of Music, Philip White, who also supervises how these scholarships might best be used. A scholarship recipient may have been a season in the general chorus; then they are given a 'cover' (understudy) role, then a small role and then a larger role. Former chorus-members took small roles in the 2019 season: Robert Winslade Anderson in *Porgy & Bess*, Lawrence Thackeray in *Don Carlo*. In 2020 baritone Harry Thatcher plays Schaunard (*Bohème*).

Pimlico Opera

The GPO core staff also work on the outreach activities of sister charity Pimlico Opera whose work focusses on prisons and low-performing primary schools. Pimlico Opera's Primary Robins is in its sixth academic year in 2018/19 and gave around 2,000 primary school children a weekly half-hour singing class as far afield as Newcastle.

In October 2018 Pimlico Opera staged *Sweet Charity* in collaboration with one of the UK's 13 women's prisons, HMP Bronzefield in Surrey. Around 2,000 members of the public attended and there were performances for prison inmates. In March 2020 the project returns to HMP Bronzefield, for *Hairspray*.

Public benefit

In recognising our responsibilities as a charity and consistent with the requirements of the Charities Act, we have continued to record our public benefit activities.

Charitable support

Grange Park Opera supports many charities by donating tickets for auction. Charities supported include:

St Lawrence Primary School, Benenden School, Guildford High School, READ College, British Youth Opera, King's Head Theatre, Royal College of Music, Child Autism UK, Rainbow Trust, Shooting Star Hospices, The Victoria Foundation, Cherry Trees home from home short breaks, Quest riding, Queen Elizabeth's Foundation, Team Domenica, Anthony Nolan, Topic of Cancer Immunotherapy research, BRIGHT gastro-intestinal cancer research, Terrence Higgins Trust, Southend Hospital Charity, Royal Trinity Hospice, Kew Community Trust, Mane Chance Sanctuary, Vineyard Community Centre, Clink Charity Send & Highdown prison, Hands Up Foundation Singing for Syrians, Munster Rugby.

The charity partner is Seenaryo working with marginalized communities in Lebanon and Jordan in education & arts.

Connected charity

Grange Park Opera has been granted a 99 year lease from the Mary Roxburghe Trust.

Grange Park Opera has an associated charity, Pimlico Opera, governed by a separate trust deed and with a separate board of trustees.

GRANGE PARK OPERA

TRUSTEES' ANNUAL REPORT cont.

31 AUGUST 2019

Financial review

Key risks

The principal risks to the company are:

- a failure to secure the necessary sponsors and donors for the annual festival;
- poor ticket sales;
- risks associated with the cancellation of performances because of an external factor;
- control failures related to the company's resources;
- poor artistic performances and / or visitor experience, eroding long-term audience support.

Each year the trustees review the level of risk associated with each area of income, particularly the projected box office revenues and the degree to which the support from sponsors and donors is committed by the time the season has to be confirmed. They are satisfied that adequate steps have been taken to mitigate these risks but will continue to review the control environment in line with the rising standards required by the Charity Commission.

Review of the year

The group is supported by a number of individual and corporate sponsors and donors. The net incoming resources for the year amounted to £923,146 with the unrestricted fund showing a net surplus of £165,578 after theatre tax credits and the transfer from the appeal fund of £201,664 to match the year's depreciation of the new Theatre in the Woods.

The restricted appeal fund stood at £10,889,217 at the year end and total funds at £11,672,817. The appeal fund represents £10,430,466 of expenditure on the Theatre in the Woods to date and the remaining £458,751 is earmarked for completion of the theatre.

Reserves policy

The balance on the consolidated general fund at the end of the year was £783,600 (2018 £618,022). The trustees aim to hold a balance on the fund of approximately 6 months' running costs i.e. £375,000.

Pay policy for senior staff

The board of directors, who are also the trustees, with the senior management team comprise the key management personnel of the charity in charge of directing, controlling and operating Grange Park Opera. The directors give of their time freely and receive no remuneration for their directors' duties. Details of related party transactions are disclosed in note 11 to the accounts. The pay of the chief executive is set by the trustees and reviewed annually. The pay of other key management personnel is agreed between the chief executive and the trustees.

Key management personnel are considered to be Wasfi Kani, the chief executive, and Helen Sennett, the company manager, together with the directors.

Plans for the future

The productions of the 2020 season are Ponchielli's La Gioconda, Puccini's La Boheme, the musical Meet Me in St Louis and the world premiere of Bolton's The Life and Death of Alexander Litvinenko. There will also be a performance by guest artists of the Royal Ballet.

Auditors

The auditors, WSM Advisors Limited Chartered Accountants, remain willing to be reappointed.

This report has been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom FRS 102, the Charities Act 2011 and Accounting and Reporting by Charities, the Statement of Recommended Practice for charities applying FRS 102. This is a Public Benefit Entity as defined by FRS 102.

By order of the Trustees



ELEANOR CRANMER

Company Secretary

4 December 2019

GRANGE PARK OPERA

STATEMENT OF DIRECTORS' AND TRUSTEES' RESPONSIBILITIES

The charity trustees, who are also the directors of the charitable company, 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 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 charity and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Statement of Recommended Practice for accounting by charities 2014 and the governing document. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Statement as to disclosure to our auditors

So far as each trustee is aware, there is no relevant audit information of which the auditor is unaware, relevant to preparing the audit report. Each trustee has taken all the steps that she or he ought to have taken as a trustee and director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GRANGE PARK OPERA

Opinion

We have audited the accounts of Grange Park Opera (the parent charitable company) which are the consolidation of the charitable company and its subsidiary (the group) for the year ended 31 August 2019, which comprise of the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GRANGE PARK OPERA

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the parent charitable company's financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require from our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 476 of the Companies Act 2006 and section 144 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

WSM Advisors Limited

Annie Lee
for and on behalf of WSM Advisors Limited
Chartered Accountants
Statutory Auditor

4 December 2019

Connect House
133-137 Alexandra Road
London
SW19 7JY

WSM Advisors Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

GRANGE PARK OPERA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Income from:					
Donations and grants					
General donations		812,956	-	812,956	928,101
Annual donations		248,215	-	248,215	287,460
Appeal donations		-	819,971	819,971	1,187,905
Gift aid on donations		238,608	139,261	377,869	353,382
Other donations		246,623	-	246,623	289,872
Charitable activities					
Opera performances		1,113,481	-	1,113,481	1,086,182
Performance related grants		5,000	-	5,000	7,000
Other activities					
Sponsorship, advertising and programmes		122,495	-	122,495	165,203
Catering		529,516	-	529,516	599,820
Investment income and interest		9,018	-	9,018	3,130
Total income		3,325,912	959,232	4,285,144	4,908,055
Expenditure on:					
Raising funds					
Support costs	2	343,710	-	343,710	340,565
Charitable activities					
Opera performances		1,790,527	-	1,790,527	1,746,770
Venue costs		475,249	-	475,249	540,785
Depreciation		201,664	-	201,664	192,331
Education projects		1,220	-	1,220	970
Support costs	2	343,710	-	343,710	340,565
Other activities					
Marketing, programme and shop expenses		70,729	-	70,729	86,528
Catering costs		308,414	-	308,414	360,938
Support costs	2	76,380	-	76,380	75,680
Total expenditure	1	3,611,603	-	3,611,603	3,685,132
Net (expenditure)/ income for year		(285,691)	959,232	673,541	1,222,923
Transfers between funds	9	201,664	(201,664)	-	-
Theatre Tax Relief tax credits	4	249,605	-	249,605	290,036
Net income after transfers and tax		165,578	757,568	923,146	1,512,959
Total funds brought forward		618,022	10,131,649	10,749,671	9,236,713
Total funds carried forward		£ 783,600	£ 10,889,217	£ 11,672,817	£ 10,749,672

The statement of financial activities includes the consolidated income and expenditure account and all gains and losses recognised during the year.

All of the activities of the charity are classed as continuing.

GRANGE PARK OPERA

CONSOLIDATED BALANCE SHEET - 31 AUGUST 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	5	9,926,605	9,236,219
Current assets			
Debtors	6	619,570	945,888
Bank and cash balances		1,919,734	1,118,179
		<u>2,539,304</u>	<u>2,064,067</u>
Liabilities			
Creditors falling due within one year	7	793,092	550,615
Net current assets		<u>1,746,212</u>	<u>1,513,452</u>
Total assets less current liabilities		<u>£ 11,672,817</u>	<u>£ 10,749,671</u>
Represented by:			
Funds			
Restricted appeal fund	8	10,889,217	10,131,649
Unrestricted general fund	9	783,600	618,022
		<u>£ 11,672,817</u>	<u>£ 10,749,671</u>

The trustees have prepared group accounts in accordance with S 399 (4) of the Companies Act 2006 and S 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions for companies subject to the small companies regime.

These financial statements were approved by the trustees and authorised for signature on and signed on their behalf by:

SIMON FREAKLEY - director and trustee

4 December 2019



GRANGE PARK OPERA
COMPANY BALANCE SHEET - 31 AUGUST 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	5	9,926,605	9,236,219
Investment in subsidiary		100	100
Current assets			
Debtors	6	1,607,461	2,653,574
Bank and cash balances		1,914,250	832,870
		<u>3,521,711</u>	<u>3,486,444</u>
Liabilities			
Creditors falling due within one year	7	616,733	494,300
Net current assets		<u>2,904,978</u>	<u>2,992,144</u>
Total assets less current liabilities		<u>£ 12,831,683</u>	<u>£ 12,228,463</u>
Represented by:			
Funds			
Restricted appeal funds	8	10,889,217	10,131,649
Unrestricted general fund		1,942,466	2,096,814
		<u>£ 12,831,683</u>	<u>£ 12,228,463</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within the Companies Act 2006.

These financial statements were approved by the trustees and authorised for signature on and signed on their behalf by:



SIMON FREAKLEY - director and trustee

Company number 3490791

4 December 2019

GRANGE PARK OPERA
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2019

	2019	2018
	£	£
Net income for year	673,541	1,222,923
Investment income and interest	(9,018)	(3,130)
Theatre tax relief received	269,827	326,802
Depreciation of tangible fixed assets	209,888	195,152
Net receipts to capital fund	(959,232)	(1,299,271)
Movement in debtors	306,096	72,307
Movement in creditors	242,477	(70,844)
Net cash flow from operating activities	<u>733,579</u>	<u>443,939</u>
Cash flow from investing activities		
Net receipts to capital fund	959,232	1,299,271
Payments to acquire tangible fixed assets	(900,274)	(2,216,348)
Investment income and interest	9,018	3,130
	<u>67,976</u>	<u>(913,947)</u>
Net increase / (decrease) in cash	<u>801,555</u>	<u>(470,008)</u>
Bank and cash balances at start of year	<u>1,118,180</u>	<u>1,588,188</u>
Bank and cash balances at end of year	<u>£ 1,919,735</u>	<u>£ 1,118,180</u>
 Consisting of:		
Bank and cash balances	<u>£ 1,919,734</u>	<u>£ 1,118,179</u>

GRANGE PARK OPERA

PRINCIPAL ACCOUNTING POLICIES

Company information

Grange Park Opera is a private company limited by guarantee incorporated in England and Wales. The registered office is 1st Floor Long Barn, Sutton Manor Farm, Bishop's Sutton, Alresford, Hampshire, SO24 0AA. The company is also a registered charity with registration number 1068486.

The accounting policies have been applied consistently throughout the year and in the preceding year and are set out below.

Basis of accounting

The financial statements have been prepared in accordance with 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) effective 1 January 2016; the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is a Public Benefit Entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Basis of consolidation

The group financial statements consolidate the financial statements of Grange Park Opera and its wholly owned subsidiary GPO Productions Limited for the year ended 31 August 2019. The holding represents 100 £1 ordinary shares. The results for the subsidiary are set out in note 16.

The charitable company has exercised the option under S 399 (4) of the Companies Act 2006 to present the group accounts as the annual accounts for filing purposes.

Going concern basis

The accounts have been prepared on the going concern basis. At the time of approving the accounts the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

Fund accounting

There is an unrestricted general fund for the designated purposes of the charity, which is the promotion, encouragement and appreciation of opera. This is credited with donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose.

The restricted appeal fund exists to receive donations to be used for the specific purpose of building the Theatre in the Woods at West Horsley Place.

Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that the income will be received.

Voluntary income is received by way of donations and gift aid tax. Donations are recognised when received and gift aid tax is accrued on applicable donations in the same year.

Income from sponsorship, advertising, the sale of programmes and catering is recognised net of VAT when it has been earned, provided it can be quantified.

Investment income is recognised in the year in which it is receivable.

Income from opera performances is recognised net of VAT for the festival taking place in the year.

Grants are recognised when the charity becomes unconditionally entitled to the grant. Grants and donations to fund the purchase of fixed assets are released to income in line with the depreciation of the associated assets.

GRANGE PARK OPERA

ACCOUNTING POLICIES cont

Resources expended

Expenditure is recognised on an accruals basis as liabilities are incurred. Costs relating to a particular activity are allocated directly, whereas support costs are apportioned in relation to usage as specified in note 2.

Costs of generating voluntary income comprise costs associated with soliciting and receiving donations.

Costs of generating funds comprise costs associated with raising sponsorship and advertising, organising fundraising events and programmes, catering activities and the sale of merchandise.

Charitable expenditure comprises the costs of opera productions and educational projects relevant to the charity's purposes.

Governance costs include the cost of meeting the charity's statutory requirements and strategic management.

Property, plant and equipment

Fixed assets are initially measured at cost and subsequently at cost or valuation.

Depreciation on fixed assets is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

The Theatre in the Woods	- over 50 years
Office equipment	- over 3 years
Website	- over 3 years

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and other liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities.

Financial instruments

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price less provision for impairment, or at amortised cost if they are receivable after more than one year.

Basic financial liabilities

Basic financial liabilities, which include trade and other creditors and bank loans, are recognised at transaction price. Amounts payable are classified as current liabilities if payment is due within one year or less.

Taxation

Tax income represents credits claimed under the Theatre Tax Relief provisions of Finance Act 2014.

Leases

Rentals payable under operating leases are charged to income on a straight line basis over the term of the lease.

Rentals payable under the lease relating to The Theatre in the Woods have been time apportioned as specified in the lease, including the rent free and reduced rental payments due in the first six years of the lease. This is a departure from FRS 102 which requires lease incentives to be spread over the period of the lease, in this case 99 years, unless an alternative method better represents the benefits to the lessee under the lease. This departure does reflect those benefits and is therefore not considered to be materially misleading to users of the financial statements. The trustees thus conclude that the financial statements give a true and fair view.

Pensions

The charity operates a defined contribution pension scheme. Details of employer contributions are shown in note 3 and are charged to the income and expenditure account as incurred.

GRANGE PARK OPERA

NOTES TO THE ACCOUNTS - 31 AUGUST 2019

1 Analysis of expenditure

	Opera performances and other charitable costs	Other costs to generate funds	Support and governance costs	2019 Total	2018 Total
	£	£	£	£	£
Performers	856,915			856,915	691,642
Technical costs	236,404			236,404	267,002
Production costs	150,660			150,660	166,693
Orchestras	288,800			288,800	260,657
Sets and costumes	257,748			257,748	360,776
Lighting	69,900			69,900	82,562
Music and rehearsal space	121,324			121,324	108,218
Travel and accommodation	95,922			95,922	94,965
Seasonal staff	17,676			17,676	47,886
Site costs including rent	153,130			153,130	185,004
Transport	17,297			17,297	22,150
Depreciation of theatre structures	201,664			201,664	192,331
Marketing, programme and shop expenses		70,729		70,729	86,528
Catering costs		308,414		308,414	360,938
Salaries and consultancy			498,486	498,486	524,327
Office costs			215,446	215,446	197,914
Depreciation of office equipment and website			8,224	8,224	2,821
Bad debts			1,510	1,510	1,250
Professional fees			40,134	40,134	30,498
	2,467,440	379,143	763,800	3,610,383	3,684,162
Education projects			1,220	1,220	970
	£ 2,467,440	£ 379,143	£ 765,020	£ 3,611,603	£ 3,685,132
2018 expenditure	£ 2,479,886	£ 447,466	£ 757,780	£ 3,685,132	

2 Support costs

	2019 £	2018 £
Salaries and consultancy	498,486	524,327
Office costs	215,446	197,914
Depreciation of office equipment and website	8,224	2,821
Bad debts	1,510	1,250
Professional fees	40,134	30,498
	£ 763,800	£ 756,810

Professional fees include auditors' remuneration of £12,350 (2018 £12,000).

Support costs have been allocated as follows:

		2019 £	2018 £
Costs of generating voluntary income	45%	343,710	340,565
Activities to generate funds	10%	76,380	75,680
Charitable activities	45%	343,710	340,565
		£ 763,800	£ 756,810

GRANGE PARK OPERA

NOTES TO THE ACCOUNTS - 31 AUGUST 2019

3 Staff costs and numbers - group and company

	2019	2018
	£	£
Salaries and wages	385,345	408,041
Social security costs	30,525	34,131
Pension costs	6,750	4,199
Consultancy fees	105,833	106,667
Management charge	(29,969)	(34,127)
	<u>£ 498,484</u>	<u>£ 518,911</u>
	2019	2018
	No	No
The average number of staff and consultants, both full and part-time, during the financial year amounted to:		
Management and administration	<u>16</u>	<u>19</u>

The costs of all staff, some of whom are part-time, are shared with Pimlico Opera, which is charged with an amount based on apportioned time costs. In 2019 this charge was £29,969 (2018 £34,127).

Pension costs, as disclosed above, are allocated to activities in proportion to related staff costs and are charged to unrestricted funds. £1,628 was outstanding at the year end (2018 nil).

The full time equivalent of the staff employed in the year was 14. No employees earned in excess of £60,000 (2018 nil).

The key management personnel received total remuneration of £143,019.

The trustees received no remuneration or expenses, apart from the amount disclosed in note 11.

4 Taxation

Grange Park Opera is a company limited by guarantee and is a registered charity. As such it is eligible for the relief applicable to charities.

GPO Productions is a trading subsidiary and eligible to claim Theatre Tax Relief under the provisions of Finance Act 2014 in respect of core expenditure on productions. Details are set out below:

	2019	2018
	£	£
Theatre tax credits receivable for the current year	244,247	264,469
Adjustments to tax credits for prior years	5,358	25,567
	<u>£ 249,605</u>	<u>£ 290,036</u>

GRANGE PARK OPERA

NOTES TO THE ACCOUNTS - 31 AUGUST 2019

5 Tangible fixed assets - group and company

	The Theatre in the Woods £	Office equipment £	Website £	Total £
Cost				
1 September 2018	9,571,416	36,874	26,265	9,634,555
Additions in year	859,050	6,874	34,350	900,274
Transferred in year	-	(17,977)	(26,265)	(44,242)
31 August 2019	10,430,466	25,771	34,350	10,490,587
Depreciation				
1 September 2018	339,542	32,529	26,265	398,336
Charge for year	201,664	4,408	3,816	209,888
Disposals	-	(17,977)	(26,265)	(44,242)
31 August 2019	541,206	18,960	3,816	563,982
Net book value				
31 August 2018	£ 9,231,874	£ 4,345	£ -	£ 9,236,219
31 August 2019	£ 9,889,260	£ 6,811	£ 30,534	£ 9,926,605

6 Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	441	3,675	441	3,675
GPO Productions Limited - subsidiary	-	-	1,277,570	2,016,293
Pimlico Opera	96,149	62,786	96,149	62,786
Pimlico Opera Productions Limited	2,438	4	2,438	4
Theatre tax relief	244,247	264,469	-	-
VAT	138,115	159,283	138,115	158,991
Prepayments and accrued income	138,180	455,671	92,748	411,825
	£ 619,570	£ 945,888	£ 1,607,461	£ 2,653,574

7 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	141,403	99,471	144,277	84,148
PAYE	16,021	7,290	8,705	7,290
Income in advance	306,096	168,416	306,096	168,416
Accruals	329,572	275,438	157,655	234,446
	£ 793,092	£ 550,615	£ 616,733	£ 494,300

Income in advance relates to general donations received for the following year's festival, which are taken to income in the following year.

GRANGE PARK OPERA

NOTES TO THE ACCOUNTS - 31 AUGUST 2019

8 Restricted appeal fund

	Balance at 1 September 2018	Incoming resources	Resources expended	Transferred in year	Balance at 31 August 2019
	£	£	£	£	£
Group and company					
Opera House Appeal fund	10,131,649	959,232	-	(201,664)	10,889,217
	<u>£ 10,131,649</u>	<u>£ 959,232</u>	<u>£ -</u>	<u>£ (201,664)</u>	<u>£ 10,889,217</u>

The Opera House Appeal fund is being amortised in line with the depreciation of the Theatre in the Woods. The theatre is being depreciated over 50 years.

9 Unrestricted general fund

Group

The balance on the consolidated general fund at the end of the year was £783,600 (2018 £618,002). The trustees aim to hold a balance on the fund of approximately 6 months' running costs i.e. £375,000.

10 Analysis of net assets by funds

	Fixed assets £	Other net assets £	Net Assets £
Group			
Restricted funds:			
Opera House Appeal fund	9,889,260	999,957	10,889,217
Unrestricted funds:			
General fund	37,345	746,255	783,600
	<u>£ 9,926,605</u>	<u>£ 1,746,212</u>	<u>£ 11,672,817</u>

11 Related party transactions

At 31 August 2019 Pimlico Opera owed Grange Park Opera £96,149 and Pimlico Opera Productions Ltd owed Grange Park Opera £2,438 (2018 Pimlico Opera owed Grange Park Opera £62,786 and Pimlico Opera Productions Ltd owed Grange Park Opera £4). Shared salary costs of £29,969 (2018 £34,127) were recharged to Pimlico Opera in respect of the year. A contribution to office costs of £10,000 was also charged (2018 £10,000).

Iain Burnside (trustee) received fees totalling £26,334 (2018 £30,833) for musical consultancy. £1,667 was outstanding at the year end (2018 £8,333).

GRANGE PARK OPERA

NOTES TO THE ACCOUNTS - 31 AUGUST 2019

12 Operating lease commitments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Land and buildings				
Operating lease payments due within:				
One year	100,352	64,197	100,352	64,197
Two to five years	392,670	377,533	392,670	377,533
Over five years	10,835,000	9,300,038	10,835,000	9,300,038
Total operating lease payments due	£ 11,328,022	£ 9,741,768	£ 11,328,022	£ 9,741,768

The company is party to a lease with The Mary Roxburgh Trust, under which the Theatre in the Woods has been built on the West Horsley Place estate and leased for 99 years, with associated rental obligations. There are also defined rights to use other areas of the estate at defined times, under the terms of a licence relating to use of the house and grounds.

13 Company limited by guarantee

In the event of a winding up of the company, the liability of each member is limited to £1.

14 Post balance sheet events

Donations have continued to be received or pledged for the Opera House Appeal fund, albeit at a reduced level to that in previous periods. Major construction has reached completion but minor works to the site continued during the period.

15 Financial performance of the charity

The summary financial performance of the charity alone is:

	2019 £	2018 £
Income	4,285,133	4,908,048
Expenditure on charitable activities	(3,681,913)	(3,920,302)
	603,220	987,746
Taxation	-	-
Net income for year	603,220	987,746
Total funds brought forward	12,228,463	11,240,717
Total funds carried forward	£ 12,831,683	£ 12,228,463
Represented by:		
Restricted appeal fund	10,889,217	10,131,649
Unrestricted general fund	1,942,466	2,096,814
	£ 12,831,683	£ 12,228,463

GRANGE PARK OPERA

NOTES TO THE ACCOUNTS - 31 AUGUST 2019

16- Additional information on subsidiary

GPO Productions Limited is a wholly owned subsidiary - company registration 10028759 (England and Wales). It has been formed in order to incur the core costs of opera productions and to claim Theatre Tax Relief.

The trading results were as follows:

	2019	2018
	£	£
Turnover	2,363,560	2,605,189
Production and other costs	(2,293,240)	(2,370,023)
	<hr/>	<hr/>
	70,320	235,166
Taxation	249,605	290,036
	<hr/>	<hr/>
Profit retained in subsidiary	£ 319,925	£ 525,202
	<hr/>	<hr/>
Assets	298,037	593,916
Liabilities	(1,456,802)	(2,072,608)
	<hr/>	<hr/>
Equity	£ (1,158,765)	£ (1,478,692)
	<hr/>	<hr/>

GPO Productions Limited is exempt from audit of its individual accounts as a small company.