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GRANGE PARK OPERA
FINANCIAL STATEMENTS
31 AUGUST 2018



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 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

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 2018

Grange Park Opera was founded in 1998. Each year it has conceived and delivered new internationally recognized productions and created significant seasonal employment. The seven week festival in June and July 2017 was GPO's inaugural festival at West Horsley Place in Surrey, in a newly-built opera house.

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 2018.

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

Sue Butcher

Appointed 1 November 2017

Sir David Davies

Dame Vivien Duffield

David Kershaw

Appointed 1 November 2017

Keith Weed

Appointed 19 February 2018

Eleanor Cranmer was appointed Company Secretary on 1 November 2017. Hamish Forsyth and Emma Kane resigned as directors on 1 November 2017. Hilary Cowan was appointed a director on 13 March 2019.

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. 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.

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 2018

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 Pimlico Opera on remarkable outreach programmes in prisons and primary schools.

Strategies for achieving objectives

- 1 Produce productions of the highest possible standard each year, with a mix of the traditional and unexpected, within the resources available.
- 2 Appoint prestigious and internationally renowned stage directors, conductors, designers, and singers, striving for ever higher artistic standards. Engage highly regarded orchestras of international quality.
- 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 Pimlico 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

The three main productions of the 2018 season (Roméo et Juliette, Ballo in Maschera and Oklahoma!) held their heads high, with a world-première Pushkin providing a blaze of Russian colour as a unique, exuberant coda. Musically and visually standards were high, professionalism impeccable and public response enthusiastic.

Having the ENO orchestra play for two operas was a major step forward. The opera chorus was outstanding, trained by chorus master Philip White to international level. It is a reflection of that standard that we look to cast several 2018 choristers in small roles in 2019. The Oklahoma ensemble were exceptional dancers and, accompanied by the BBC Concert Orchestra, created a theatrical tour de force. Director Jo Davies and choreographer Andrew Wright proved why they are darlings of the West End. Presenting a musical is a strategy to expand audience demographic.

Theatrically there was much to savour in the operas. Patrick Mason and Francis O'Connor offered a cool, sophisticated look for Roméo and Olena Tokar's Juliette marked a major UK debut.

Stephen Medcalf's Ballo cast included some world-class singing: Claire Rutter (Amelia), Roland Wood (Renato) and the remarkable Ulrica, Elisabetta Fiorillo.

GRANGE PARK OPERA

TRUSTEES' ANNUAL REPORT cont.

31 AUGUST 2018

Review of activities - cont.

The 2018 season ended with a bang: the first staged production of Konstantin Boyarsky's Pushkin brought the orchestra, chorus and principals of Moscow's Novaya Opera, 150 strong, to Surrey. The piece grabs the audience by the scruff of the neck and a large and talented Russian ensemble performed with huge commitment. The final Saturday of the season offered a one-man play about Maria Callas on stage and roving instrumentalists in the gardens.

The second Surrey opera season generated a surplus with a 14% increase in ticket revenue and 16,000 visitors (up 9% from 2017) and proving that the move to Surrey has strengthened the charity and now offers huge potential for growth, given the proximity of London 23 miles away.

The season was reviewed by the national press and bloggers and online reviewers, who influence public perception. However, it is digital marketing which is seen as the key driver to increasing awareness.

Support for Capital and Revenue streams

In November 2015, a £10m capital campaign was launched to build the new theatre in Surrey. The appeal target was raised to £14m to include a lavatory block (the Lavatorium Rotundum), an exterior colonnade and an Endowment Fund to secure long-term financial support for the charity. At 31 August 2018, £11.37m had been pledged to the capital campaign including major gifts from Michael & Hilary Cowan, Red Butterfly Foundation, Clore Duffield Foundation, Michael Spencer, William Garrett, Geoff & Fiona Squire Foundation and Ronnie Frost & Family. More than 700 donors supported the festival revenue stream with gifts of up to £1,100. A further 40 larger gifts were made to the revenue stream.

Engendering a sense of family is key to donor retention and development. Outside the opera season there were 20 receptions for members and ticket buyers. At some events, younger artists are engaged to perform, providing a valuable platform for them. A master class with young singers was given by Stephen Barlow at Victoria & Albert Museum.

The Meteors scheme for Under-35s was started in 2009. The proximity to London and Horsley station makes GPO more 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 now over 2,000 Meteors registered.

There is a very small corporate presence at GPO and it remains predominantly a place for individuals to attend in small parties. Corporate benefactors made up less than 5% of the audience. The charity remains very grateful to its corporate benefactors and in particular to NEX for their longstanding support.

Financially, the charity is on a sound footing. Donors have continued to support generously both revenue and capital streams. Commercial sponsors, singer sponsors, annual donors and catering increased year on year. However, as the need for capital funds diminishes the management of GPO expect donations to the revenue streams to increase.

Phase 2 building works included the Cowan vestibule (adorned with four huge mirrors and chandeliers), the ornate cross-gartered brickwork and the Lavatorium Rotundum (instead of cabins).

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). The legators group (The Immortals) has 40 members and the first dinner was scheduled for November 2018.

GRANGE PARK OPERA

TRUSTEES' ANNUAL REPORT cont.

31 AUGUST 2018

Review of activities - cont.

The venue

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. Phase 2 building works included a round 22-cubicle lavatory building (the Lavatorium Rotundum), an associated sewage treatment plant, exterior brickwork and fanfare balcony, the Cowan Vestibule and the two five-storey auditorium staircases. There was much work in the dressing room area (walls & floor finishes, basement drainage sump system and lavatories). In the auditorium, artist Hugo Dalton installed light drawing projectors. Following the 2018 season building works continued.

GPO is looking forward to fruitful collaboration with the Mary Roxburghe Trust and its plans for the overall site.

People

- GPO gave work to more than 600 people, of whom around 100 were from the local area.
- GPO engaged 51 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

6 local school children were in the production of Oklahoma!

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. 36 seats were donated. Many come to see their first opera – or make their first visit to a theatre.

A further 99 free performance tickets were given to schoolchildren.

437 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 our 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 2018

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. Mexican tenor Jesús Leon and baritone Harry Thatcher are two such examples. Harry plays Schaunard (Bohème) in 2020.

GPO also provides a springboard for pianist / conductors. GPO gave Patrick Milne his first professional engagement as an assistant conductor / répétiteur after which he was given a two year contract with Scottish Opera and has recently been given a place with Royal Opera House Jette Parker as pianist / conductor.

Pimlico Opera

The office staff of GPO also work on the outreach activities of sister charity Pimlico Opera. The initiatives could not be more different and are directed at those who are less fortunate or have troubled lives. Pimlico Opera's Primary Robins was in its fifth academic year in 2017/18 and gave around 2,000 primary school children a weekly half-hour singing class. For the 2018/19 school year the project has been expanded in Newcastle. A major trust has approached Pimlico Opera with a view to a five-fold expansion over the next 5 years.

In October 2017 Pimlico Opera staged a highly successful production of *Les Misérables* in Highdown Prison, Surrey.

In October 2018 the project was taken to a women's prison, HMP Bronzefield, and 2,000 public attended performances of Sweet Charity.

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:

Academy of St Martin in the Fields, Anthony Nolan, Barbican Centre Trust, BRIGHT Cancer Care, British Youth Opera, Cambridge BID, Cancer Research UK, Child Autism UK, Childline & NSPCC, Combat Stress, Dreamflight, GRACE Charity, Greenmead Primary School, Prader Willi Syndrome & Rokeby School, Helford River Children's Sailing Trust, Howard of Effingham School, Marymount International School London, Polesden Lacey Infant School, Polka Theatre, Princess Alice Hospice, READ College, Royal College of Music, RNLI in British & Irish Waters, Rugby Portobello Trust, Saddle Sand Sea, Seenaryo, arts and education with refugees in Lebanon, Southend Hospital Charity, SSAFA, the Armed Forces charity, The Brain Tumour Charity, The Royal British Legion, The Opera Awards Foundation, The Victoria Foundation, Topic of Cancer - 'Providing Support and Funding Immunotherapy Research', Women's Aid, XLP - London Youth Charity, Young Epilepsy.

The charity partner is Queen Elizabeth's Foundation for Disabled People.

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.

GRANGE PARK OPERA
TRUSTEES' ANNUAL REPORT cont.

31 AUGUST 2018

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 £1,512,958 with the unrestricted fund showing a net surplus of £406,018 after theatre tax credits and the transfer from the appeal fund of £192,331 to match the year's depreciation of the new Theatre in the Woods.

The restricted appeal fund stood at £10,131,649 at the year end and total funds at £10,749,671. The appeal fund represents £9,571,416 of expenditure on the Theatre in the Woods and the remaining £560,233 is earmarked for completion of the theatre.

Reserves policy

The balance on the consolidated general fund at the end of the year was £618,022 (2017 £212,004). 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 manger, together with the directors.

Plans for the future

The main productions of the 2019 season are Gershwin's *Porgy & Bess*, Humperdinck's *Hansel and Gretel* and Verdi's *Don Carlo*. There will also be performances by Joyce DiDonato and Simon Keenlyside, as well as other events at various venues.

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
13 March 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 2018, 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 2018 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GRANGE PARK OPERA

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

13 March 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 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Income from:					
Donations and grants					
General donations		928,101	-	928,101	881,467
Annual donations		287,460	-	287,460	251,187
Appeal donations		-	1,187,905	1,187,905	4,017,258
Gift aid on donations		242,016	111,366	353,382	1,324,246
Other donations		289,872	-	289,872	143,311
Charitable activities					
Opera performances		1,086,182	-	1,086,182	885,780
Performance related grants		7,000	-	7,000	43,879
Other activities					
Sponsorship, advertising and programmes		165,203	-	165,203	189,295
Catering		599,820	-	599,820	526,937
Investment income and interest		3,130	-	3,130	2,590
Total income		3,608,784	1,299,271	4,908,055	8,265,950
Expenditure on:					
Raising funds					
Support costs	2	340,565	-	340,565	346,779
Charitable activities					
Opera performances		1,746,770	-	1,746,770	1,983,020
Venue costs		540,785	-	540,785	520,779
Depreciation		192,331	-	192,331	147,211
Education projects		970	-	970	640
Support costs	2	340,565	-	340,565	346,779
Other activities					
Marketing, programme and shop expenses		86,528	-	86,528	71,553
Catering costs		360,938	-	360,938	322,315
Support costs	2	75,681	-	75,681	159,484
Total expenditure	1	3,685,133	-	3,685,133	3,898,560
Net (expenditure) / income for year		(76,349)	1,299,271	1,222,922	4,367,390
Transfers between funds	9	192,331	(192,331)	-	-
Theatre Tax Relief tax credits	4	290,036	-	290,036	257,685
Net income after transfers and tax		406,018	1,106,940	1,512,958	4,625,075
Total funds brought forward		212,004	9,024,709	9,236,713	4,611,638
Total funds carried forward		£ 618,022	£ 10,131,649	£ 10,749,671	£ 9,236,713

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 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	5	9,236,219	7,215,023
Current assets			
Debtors	6	945,888	1,041,441
Bank and cash balances		1,118,179	1,588,188
		<u>2,064,067</u>	<u>2,629,629</u>
Liabilities			
Creditors falling due within one year	7	550,615	607,939
Net current assets		<u>1,513,452</u>	<u>2,021,690</u>
Total assets less current liabilities		<u>£ 10,749,671</u>	<u>£ 9,236,713</u>
Represented by:			
Funds			
Restricted appeal fund	8	10,131,649	9,024,709
Unrestricted general fund	9	618,022	212,004
		<u>£ 10,749,671</u>	<u>£ 9,236,713</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 13 March 2019 and signed on their behalf by:


SIMON FREAKLEY - director and trustee

GRANGE PARK OPERA
COMPANY BALANCE SHEET - 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	5		9,236,219		7,215,023
Investment in subsidiary			100		100
Current assets					
Debtors	6	2,653,574		3,029,372	
Bank and cash balances		832,870		1,577,769	
		<u>3,486,444</u>		<u>4,607,141</u>	
Liabilities					
Creditors falling due within one year	7	494,300		581,547	
Net current assets			<u>2,992,144</u>		<u>4,025,594</u>
Total assets less current liabilities			<u>£ 12,228,463</u>		<u>£ 11,240,717</u>

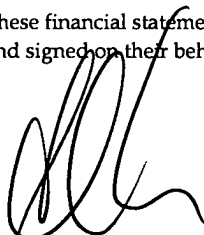
Represented by:

Funds

Restricted appeal funds	8	10,131,649		9,024,709	
Unrestricted general fund		2,096,814		2,216,008	
		<u>£ 12,228,463</u>		<u>£ 11,240,717</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 13 March 2019 and signed on their behalf by:



SIMON FREAKLEY - director and trustee

Company number 3490791

GRANGE PARK OPERA
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2018

	2018		2017
	£	£	£
Net income for year	1,222,922		4,367,390
Investment income and interest	(3,130)		(2,590)
Theatre tax relief received	326,802		319,970
Depreciation of tangible fixed assets	195,152		148,215
Net receipts to capital fund	(1,299,271)		(4,870,565)
Movement in debtors	72,307		1,307,027
Movement in creditors	(70,844)		(665,456)
	<hr/>		<hr/>
Net cash flow from operating activities		443,938	603,991
Cash flow from investing activities			
Net receipts to capital fund	1,299,271		4,870,565
Payments to acquire tangible fixed assets	(2,216,348)		(5,475,453)
Investment income and interest	3,130		2,590
	<hr/>		<hr/>
		(913,947)	(602,298)
		<hr/>	<hr/>
Net (decrease)/ increase in cash		(470,009)	1,693
Bank and cash balances at start of year		1,588,188	1,586,495
		<hr/>	<hr/>
Bank and cash balances at end of year		£ 1,118,179	£ 1,588,188
		<hr/>	<hr/>
 Consisting of:			
Bank and cash balances		£ 1,118,179	£ 1,588,188
		<hr/>	<hr/>

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 2018. 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, other liquid investments with original maturities of three months or less, and bank overdrafts. 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 2018

1 Analysis of expenditure

	Opera performances and other charitable costs	Other costs to generate funds	Support and governance costs	2018 Total	2017 Total
	£	£	£	£	£
Performers	691,642			691,642	880,294
Technical costs	267,002			267,002	257,912
Production costs	166,693			166,693	134,322
Orchestras	260,657			260,657	382,300
Sets and costumes	360,776			360,776	328,192
Lighting	82,562			82,562	72,494
Music and rehearsal space	108,218			108,218	67,557
Travel and accommodation	94,965			94,965	105,161
Seasonal staff	47,886			47,886	23,640
Site costs including rent	185,004			185,004	223,117
Transport	22,150			22,150	28,810
Depreciation of theatre structures	192,331			192,331	147,211
Marketing, programme and shop expenses		86,528		86,528	71,553
Catering costs		360,938		360,938	322,315
Salaries and consultancy			524,328	524,328	481,276
Office costs			197,914	197,914	249,074
Depreciation of office equipment and website			2,821	2,821	1,004
Bad debts			1,250	1,250	2,812
Professional fees			30,498	30,498	118,876
	<u>2,479,886</u>	<u>447,466</u>	<u>756,811</u>	<u>3,684,163</u>	<u>3,897,920</u>
Education projects			970	970	640
	<u>£ 2,479,886</u>	<u>£ 447,466</u>	<u>£ 757,781</u>	<u>£ 3,685,133</u>	<u>£ 3,898,560</u>
2017 expenditure	<u>£ 2,651,010</u>	<u>£ 393,868</u>	<u>£ 853,682</u>	<u>£ 3,898,560</u>	

2 Support costs

	2018 £	2017 £
Salaries and consultancy	524,328	481,276
Office costs	197,914	249,074
Depreciation of office equipment and website	2,821	1,004
Bad debts	1,250	2,812
Professional fees	30,498	36,454
	<u>£ 756,811</u>	<u>£ 770,620</u>

Professional fees include auditors' remuneration of £12,000 (2017 £11,500).

Support costs have been allocated as follows:

		2018 £	2017 £
Costs of generating voluntary income	45%	340,565	346,779
Activities to generate funds	10%	75,681	77,062
Charitable activities	45%	340,565	346,779
		<u>£ 756,811</u>	<u>£ 770,620</u>

GRANGE PARK OPERA

NOTES TO THE ACCOUNTS - 31 AUGUST 2018

3 Staff costs and numbers - group and company

	2018	2017
	£	£
Salaries and wages	408,041	346,006
Social security costs	34,131	29,897
Pension costs	4,199	1,402
Consultancy fees	106,667	117,971
Management charge	(34,127)	(14,000)
	<u>£ 518,911</u>	<u>£ 481,276</u>

	2018	2017
	No	No
The average number of staff and consultants, both full and part-time, during the financial year amounted to:		
Management and administration	19	15

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 2018 this was £34,127 (2017 £14,000).

Pension costs, as disclosed above, are allocated to activities in proportion to related staff costs and are charged to unrestricted funds. Nothing was outstanding at the year end (2017 £417).

The full time equivalent of the staff employed in the year was 15. No employees earned in excess of £60,000 (2017 nil).

The key management personnel received total remuneration of £140,500.

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:

	2018	2017
	£	£
Theatre tax credits receivable for the current year	264,469	275,000
Adjustments to tax credits for prior years	25,567	(17,315)
	<u>£ 290,036</u>	<u>£ 257,685</u>

GRANGE PARK OPERA

NOTES TO THE ACCOUNTS - 31 AUGUST 2018

5 Tangible fixed assets - group and company

	Assets under construction £	The Theatre in the Woods £	Office equipment £	Website £	Total £
Cost					
1 September 2017	-	7,360,554	31,388	26,265	7,418,207
Additions in year	2,210,862	-	5,486	-	2,216,348
Transferred in year	(2,210,862)	2,210,862	-	-	-
31 August 2018	-	9,571,416	36,874	26,265	9,634,555
Depreciation					
1 September 2017	-	147,211	29,708	26,265	203,184
Charge for year	-	192,331	2,821	-	195,152
Disposals	-	-	-	-	-
31 August 2018	-	339,542	32,529	26,265	398,336
Net book value					
31 August 2017	£ -	£ 7,213,343	£ 1,680	£ -	£ 7,215,023
31 August 2018	£ -	£ 9,231,874	£ 4,345	£ -	£ 9,236,219

6 Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	3,675	15,550	3,675	15,550
GPO Productions Limited - subsidiary	-	-	2,016,293	2,492,980
Pimlico Opera	62,786	-	62,786	-
Pimlico Opera Productions Limited	4	-	4	-
Theatre tax relief	264,469	287,715	-	-
VAT	159,283	679,879	158,991	476,837
Prepayments and accrued income	455,671	58,297	411,825	44,005
	£ 945,888	£ 1,041,441	£ 2,653,574	£ 3,029,372

7 Creditors: amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	99,471	98,722	84,148	78,830
Pimlico Opera	-	13,520	-	13,520
PAYE	7,290	8,016	7,290	8,016
Income in advance	168,416	111,608	168,416	111,608
Accruals	275,438	376,073	234,446	369,573
	£ 550,615	£ 607,939	£ 494,300	£ 581,547

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 2018

8 Restricted appeal fund

	Balance at 1 September 2017	Incoming resources	Resources expended	Transferred in year	Balance at 31 August 2018
	£	£	£	£	£
Group and company					
Opera House Appeal fund	9,024,709	1,299,271	-	(192,331)	10,131,649
	<u>£ 9,024,709</u>	<u>£ 1,299,271</u>	<u>£ -</u>	<u>£ (192,331)</u>	<u>£ 10,131,649</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 £618,022 (2017 £212,004). The trustees aim to hold a balance on the fund of approximately 6 months' running costs i.e. £350,000.

10 Analysis of net assets by funds

	Fixed assets	Other net assets	Net Assets
	£	£	£
Group			
Restricted funds:			
Opera House Appeal fund	9,231,874	899,775	10,131,649
	<u>9,231,874</u>	<u>899,775</u>	<u>10,131,649</u>
Unrestricted funds			
General fund	4,345	613,677	618,022
	<u>£ 9,236,219</u>	<u>£ 1,513,452</u>	<u>£ 10,749,671</u>

11 Related party transactions

At 31 August 2018 Pimlico Opera owed Grange Park Opera £62,786 and Pimlico Opera Productions Ltd owed Grange Park Opera £4 (2017 Grange Park Opera owed Pimlico Opera £13,520 and Pimlico Opera Productions Ltd nil). Shared salary costs of £34,127 (2017 £14,000) were recharged to Pimlico Opera in respect of the year. A contribution to office costs of £10,000 was also charged (2017 £10,000).

Iain Burnside (trustee) received fees totalling £30,833 (2017 £30,000) for musical consultancy. £8,333 was outstanding at the year end (2017 £7,500).

GRANGE PARK OPERA

NOTES TO THE ACCOUNTS - 31 AUGUST 2018

12 Operating lease commitments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Land and buildings				
Operating lease payments due within:				
One year	64,197	70,819	64,197	70,819
Two to five years	377,533	341,718	377,533	341,718
Over five years	9,300,038	9,400,050	9,300,038	9,400,050
Total operating lease payments due	£ 9,741,768	£ 9,812,587	£ 9,741,768	£ 9,812,587

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:

	2018 £	2017 £
Income	4,908,048	8,265,950
Expenditure on charitable activities	(3,920,302)	(3,961,774)
	987,746	4,304,176
Taxation	-	-
Net income for year	987,746	4,304,176
Total funds brought forward	11,240,717	6,936,541
Total funds carried forward	£ 12,228,463	£ 11,240,717
Represented by:		
Restricted appeal fund	10,131,649	9,024,709
Unrestricted general fund	2,096,814	2,216,008
	£ 12,228,463	£ 11,240,717

GRANGE PARK OPERA

NOTES TO THE ACCOUNTS - 31 AUGUST 2018

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:

	2018	2017
	£	£
Turnover	2,605,189	2,674,903
Production and other costs	(2,370,016)	(2,611,689)
	-----	-----
	235,173	63,214
Taxation	290,036	257,685
	-----	-----
Profit retained in subsidiary	£ 525,209	£ 320,899
	-----	-----
Assets	593,916	515,468
Liabilities	(2,072,608)	(2,519,372)
	-----	-----
Equity	£ (1,478,692)	£ (2,003,904)
	-----	-----

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