

ENGLISH TOURING OPERA LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

Charity Number: 279354

Company Number: 1458501

ENGLISH TOURING OPERA LIMITED

REFERENCE & ADMINISTRATIVE DETAILS FOR YEAR ENDED 30 JUNE 2019

DIRECTORS AND TRUSTEES

English Touring Opera Limited (ETO) is a company limited by guarantee, which is registered as a charity. For the purposes of the Companies Act 2006, the members of the Board of Trustees are the directors of the company.

The Trustees at the date of this report are as follows:

Mark Beddy	Chair
Judith Ackrill	(deceased 11 October 2018)
Sarah Botchway	(resigned 1 April 2019)
David Burke +	Chair of Finance Committee
Bill Bush +	
Anita Datta	(appointed 16 September 2019)
Jane Davies OBE	
Darren Joyce	
Joseph Karaviotis	
David Lasserson	
Laura Liede +	
Sinéad O'Neill	(resigned 16 September 2019)
Ursula Owen	
Richard Salter QC +	

+ Indicates a member of the Finance Committee

COMPANY SECRETARY

Jane-Eve Straughton

COMPANY LEADERSHIP from 1 April 2019

Jane-Eve Straughton	(Executive Director)
James Conway	(Artistic Director)

GENERAL DIRECTOR until 31 March 2019

James Conway

WEBSITE

www.englishtouringopera.org.uk

PRINCIPAL OFFICE

3rd Floor, 50 Britton Street, London, EC1M 5UP

REGISTERED OFFICE

7 Savoy Court, London, WC2R 0EX

AUDITORS

Haysmacintyre LLP
10 Queen Street Place, London, EC4R 1AG

BANKERS

Barclays Bank PLC, 50 Pall Mall, London, SW1A 1QD

The Trustees present their report and financial statements for the year ended 30 June 2019.

OBJECTIVES AND ACTIVITIES

ETO's objects are to create, present and promote vibrant, innovative and high-quality opera, music and theatre to existing and new audiences and venues and to encourage the development of the arts including the arts of drama, ballet, music, singing, literature, sculpture and painting. The company seeks to stimulate new access, understanding and appreciation of the genre of opera, while promoting the development of the highest performance standards and enlivening career development opportunities for its artists.

The objectives can be split into three sections:

Artistic Objectives:

- to tour complete operas at "classical scale" with orchestra
- to select and produce lively, particular programming at which ETO can excel, from the traditional to the contemporary
- to ensure the programme appeals to and reaches widespread and diverse audiences
- to achieve excellence on stage and in the pit
- to enhance the critical reputation of ETO and support new artists through the engagement of a mixture of established and rising singers
- to run a flexible and lean organisation enabling artistic risk
- to develop talent and ideas through partnerships
- to integrate Learning and Participation work closely with stage work, mixing personnel and creativity

Learning and Participation Objectives:

- to excite and inspire young people and adults
- to deliver work that is completely inclusive, and to work in particular with young people with special needs
- to reach areas of significant social and economic deprivation
- to create new work with participants and also to bring high standards of performance into schools

Promotional and Development Objectives:

- to increase the number of members of the public who attend ETO performances
- to maintain accessible ticket prices
- to develop a network of supporters to help promote the company's objectives at a local level
- to source and sustain regional syndicates of donors and opera enthusiasts to help secure the future of regional touring opera performance

The strategies employed to achieve these objectives in the year from 1 July 2018 to 30 June 2019 (inclusive) covered by these accounts included the production and presentation of operas, recitals and related outreach and Learning and Participation activities. Particular attention during the period has been placed on developing sustained relationships, notably with funders, key venues, other arts organisations and with ETO's audience through local networks.

In reviewing and developing ETO's activities and future plans, careful consideration is given to the public benefit arising from ETO's work. The Trustees take particular account of the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charity. The Trustees consider that the work of the charity provides considerable benefit to the public as illustrated by the activities described in this report.

ACHIEVEMENTS AND PERFORMANCE

Overall

In 2018/19, English Touring Opera gave 155 performances across 91 venues, with audiences totalling 36,693. Of the 155 performances, there were 64 staged opera performances (across 21 weeks of touring and 25 theatre visits) and 13 concert performances of operatic works or excerpts across 13 venues. There were 11 concert performances of Bach's *St Matthew Passion* at 1 London and 10 regional venues, and 3 solo recitals. There were 75 performances for schools and community groups across 52 venues as part of ETO's Education & Community programme. ETO also ran 80 Learning and Participation workshops for 4,244 participants.

ETO's programme across the year included:

- Autumn 2018 - 2 new productions: Handel's *Radamisto* and a triple bill incorporating Carissimi's *Jonas*, a selection of sacred and secular madrigals by Gesualdo entitled *I Will Not Speak*, and Purcell's *Dido & Aeneas*
- Concert performances of Bach's *St Matthew Passion* featuring ETO solo singers and its Baroque orchestra The Old Street Band in collaboration with local choirs in London and around the country
- Spring 2019 - 3 new productions: Rossini's *Elizabeth I (Elisabetta, Regina d'Inghilterra)*, Mozart's *Idomeneo* and Verdi's *Macbeth*
- 2 operas for children: *Paradise Planet* and *Waxwings* – the former a new commission, the latter a revival of a piece first staged in Spring 2016
- workshops for secondary school students to accompany touring productions
- a variety of educational and community activities, including projects with people with special needs of all ages (see below)

In comparison, in 2017/18, ETO gave 174 performances across 90 venues, with audiences totalling 44,906. Of the 174 performances, there were 75 staged opera performances (across 23 weeks of touring and 35 theatre visits) and 9 concert performances of operatic works or excerpts across 9 venues. There were 8 semi-staged performances of Bach's *Mass in B minor* with local choirs around the country at 1 London and 7 regional venues, and 3 solo recitals. There were 79 performances for schools and community groups across 45 venues as part of ETO's Learning and Participation programme. ETO also ran 69 Learning and Participation workshops for 3,784 participants.

Autumn 2018

ETO's Autumn programme featured Handel's *Radamisto*, directed by James Conway and conducted by Peter Whelan, and a triple bill conducted by Jonathan Peter Kenny incorporating: Carissimi's *Jonas*, directed by Bernadette Iglich; a staging of sacred and secular madrigals by Gesualdo, devised and directed by James Conway, entitled *I Will Not Speak*; Purcell's *Dido & Aeneas*, staged by Sebastian Harcombe. Adam Wiltshire designed all sets and costumes and the lighting designer was Rory Beaton.

The season once more demonstrated our special strength in early and baroque repertoire; there were performances of great beauty both on stage and in the pit. The singers formed two tight ensembles, with William Towers, Grant Doyle, Andrew Slater, Ellie Laugharne, Katie Bray and John-Colyn Gyeantey in *Radamisto*; Sky Ingram, Alison Manifold, Nicholas Mogg, Susanna Fairbairn, Benjamin Williamson, Richard Dowling and Jorge Navarro-Colorado in the triple bill. ETO's period orchestra The Old Street Band distinguished itself again, led for the first time by Naomi Burrell.

The unusual combination of pieces in the Carissimi/Gesualdo/Purcell staging in particular was fresh and audacious – highlighting the versatility of the singers. It took a choreographic approach to Carissimi's oratorio, interspersed the madrigals with a selection of spoken poetic and sacred texts and a commentary which reflected on Gesualdo's works, setting them in contrast with his lurid biography, and ended in a haunting interpretation of Purcell's masterpiece.

"I am not normally given to writing fan letters, but I have just come from your Triple Bill performance in Durham. It was a beautiful evening of music and I thank you for it.... the ensemble performances were emotional and inspiring." Durham Audience Member

St Matthew Passion

Our performances of Bach's *St Matthew Passion* in collaboration with local choirs was the culmination of our Bach trilogy (following *St John Passion* in Autumn 2016 and *B Minor Mass* in Autumn 2017). For both audiences and choral participants, this was again an exceptional and moving experience and we look forward to reprising *St John Passion*, in our Spring 2020 season.

"A beautifully crafted production combining amateur and top professionals in darkest Cumbria. My how your light burned tonight." Workington Audience Member

Spring 2019

In Spring 2019, ETO presented 3 new productions – of Mozart's *Idomeneo*, Rossini's *Elizabeth I* and Verdi's *Macbeth* respectively. *Idomeneo* and *Elizabeth I* were directed by James Conway, with Jonathan Peter Kenny conducting *Idomeneo* and John Andrews conducting *Elizabeth I*; James Dacre directed *Macbeth* with Gerry Cornelius conducting. The designer for the season was Frankie Bradshaw and the lighting designer was Rory Beaton.

This was one of our most ambitious seasons to date for which we engaged a larger than usual chorus – all of whom were highly accomplished young artists, attesting the strength of professional singing in the UK. A local child took the role of Fleance in each town.

The quality of performances was remarkably well-sustained across the three very different pieces and over an extensive tour. We proved our success once again in cultivating and sustaining a loyal audience for rarer titles, with the seldom-performed *Elizabeth I* in particular exceeding its audience target. Weaker than anticipated audiences for *Macbeth* were the one disappointment of the season; a number of venues observed that they have also found the Shakespeare play difficult to sell in recent years.

The principal casts were uniformly excellent. Mary Plazas took the title role in *Elizabeth I* alongside John-Colyn Gyeantey as Norfolk, Luciano Botelho as Leicester and Lucy Hall as Matilde. Christopher Turner was *Idomeneo*, Catherine Carby was *Idamante*, Paula Sides sang the role of Elektra, and Galina Averina sang the role of Ilya. In *Macbeth*, Grant Doyle led a cast including Madeleine Pierard as Lady Macbeth (Tanya Hurst as the Nurse sang Lady Macbeth for a number of performances), Andrew Slater as Banquo, Amar Muchhala as Macduff and David Lynn as Malcolm. The orchestra mastered the very varied styles of the pieces and were well praised.

As usual, we offered many recent entrants to the industry the opportunity to study major roles either as second cast singers or covers alongside their engagement in the chorus. Of these, Tanya Hurst was extremely impressive as Lady Macbeth, singing a number of performances in her own right, and Emma Stannard showed remarkable promise as *Idamante*, replacing Catherine Carby, due to illness, for the final performances of the tour.

"Great opening night for Elizabeth I. ETO deliver again. Willing to take risks bringing unfamiliar repertoire to their audience. ... Great to see ETO able to present a piece with a larger orchestra and chorus. Already booked for Autumn."
Hackney Audience Member, Facebook

Special Projects

In previous years, the Board has allocated unrestricted funds to a Designated Fund to support special projects and allow for greater artistic ambition during the 2018-2022 seasons than would otherwise be possible from annual funding.

Special Projects mounted in 2018/19 supported by the Designated Fund included:

- ambitious programmes for Autumn 2018 and Spring 2019 which would not have been possible simply on our NPO Grant
- our Learning and Participation programme
- special investment in operations (e.g. creation of new Head of Development & Communications and Head of Finance roles – see below)

Learning and Participation Projects

This year, our children's operas were *Paradise Planet* (a new commission for 7-11 year olds on the topic of climate change) and *Waxwings* (a revival of our 2016 opera for children with Special Educational Needs - or SEND). We expanded our network of schools, adding new partnerships in Chester, Ulverston and County Durham, and, while the bulk of these performances are delivered in schools, we continued to work with our regular library hosts in Medway, York and Sheffield.

We returned to Holy Trinity & St Silas School in London for another term-long project based on the life of Charles Dickens culminating in a performance entitled *The Ghost of Doughty Street* and continued our collaboration with the National Portrait Gallery, providing workshops for primary school pupils.

We expanded our provision for secondary schools, producing workshops inspired by *Dido & Aeneas* where pupils worked with an ETO artistic team to create and perform an opera, a strand of work supported by our Arts Council England Strategic Touring grant. Participating students also received free tickets to see a performance of ETO's *Dido & Aeneas*. In addition, we opened dress rehearsals in Hackney to secondary schools from all London boroughs.

We now have a long-standing practice of offering local people – especially children – opportunities to perform on stage alongside our professional casts and in Spring 2019, we invited a local child at each venue to play the role of Fleance in *Macbeth*. Local children's choirs also took part in *St Matthew Passion*.

Other significant partnerships we continue to enjoy include those with Turtle Key Arts, with whom we developed our pioneering Dementia project *Turtle Song*, and the Royal College of Music and the Royal Academy of Music, working regularly with their students.

"We have just finished watching Paradise Planet. I have been in teaching since 1984 and it was the best performance I have ever seen in a school. Every single aspect of it was amazing. The children were spellbound, learnt a lot and got such a positive experience introducing them to opera."

Headteacher, Roose Community Primary School, Barrow-in-Furness

International Activity

ETO's opera for children with special educational needs, *Waxwings*, toured to the Philharmonie in Luxembourg in June 2019, marking ETO's ninth visit with this strand of work.

Operations

This year has seen significant organisational change; James Conway, who has led ETO as General Director since 2002, moved into the part-time role of Artistic Director in April 2019. This secures the benefit of his experience and expertise for the company for the years to come, while enabling him to pursue outside interests.

Jane-Eve Straughton has assumed the strategic leadership of the company as Executive Director. Jane-Eve joined ETO in January 2014 as General Manager/Finance Director, following senior management and producing roles with The Opera Group, English National Opera and Norwegian National Opera.

As ETO enters its 40th Anniversary year in 2019/20 in vital health, James and Jane-Eve's partnership reflects the company's strong legacy and its promising future. They are supported by a restructured senior team, which includes the new roles of Head of Development & Communications and part time Head of Finance, as well as the Head of Marketing, Head of Production, and Artistic Associate (Learning and Participation).

The latter position (previously titled Head of Education) is filled by Bradley Travis, replacing Tim Yealland, who left the permanent ETO staff team in June 2018. Tim continues to work with us on a freelance basis, however, and this year he returned to revive his 2018 production of *Waxwings* and direct his new piece *The Ghost of Doughty Street*. We were delighted that Tim was awarded an MBE in the January 2019 New Year Honours List "for services to the Arts and to Music Education for Young People".

A Development Board, without governance function, was established in 2018 to support both the principal Board and the Executive team in cultivating donors. The Board meets quarterly and has begun a number of new strategies to engage individuals and corporates new to ETO and renew historical relationships, where appropriate. The Board is chaired by Mark Beddy and current members are Viv Bellos, Murray Clayson, Simon Crookall, Tim Ingram and Sir Richard Shirreff.

PLANS FOR FUTURE PERIODS

The year 2019/20 is the upbeat to our 40th Anniversary celebrations, marking our founding as Opera 80, which will extend throughout 2020. We begin by celebrating the strength of singing in the UK regions, building further on the choral collaborations that have characterised our recent tours.

ETO's Autumn 2019 season featured three Singspiels: Mozart's *The Seraglio*, Kurt Weill's rarely-performed *The Silver Lake (A Winter's Tale)* and a revival of *Laika the Spacedog*, Russell Hepplewhite and Tim Yealland's award-winning piece for children, commissioned by ETO in 2013 and performed since in 2 different productions in 4 different countries.

For *The Seraglio*, ETO's former Director of Productions, Stephen Medcalf, returned, working with conductor John Andrews. James Conway directed *The Silver Lake*, collaborating with the UK's leading Kurt Weill specialist, conductor James Holmes. Singers from Streetwise Opera's groups in London, Newcastle and Manchester performed on stage with us in Hackney, Durham and Buxton respectively as the chorus in *The Silver Lake*, while in the other towns on the tour, local choirs performed the same role. Bradley Travis revived Tim Yealland's production of *Laika the Spacedog* and we also visited secondary schools around the country with workshops exploring *The Silver Lake* (participants were offered the chance to see the ETO production). We also invited singers of all ages to take part in singing workshops based on Gilbert & Sullivan, thanks to the generous support of the D'Oyly Carte Foundation.

In Spring 2020, touring with ETO's period orchestra, The Old Street Band, for the first time in a Spring season, we will revive James Conway's beautiful production of Handel's *Giulio Cesare*, which once again will feature local singing groups as the Egyptian populace (singing from the auditorium). We will also reprise his dramatic interpretation of Bach's *St John Passion*, where ETO soloists and orchestra perform alongside local singers of all ages who take the choruses and chorales. We will also present a new production of Mozart's *Così fan tutte*, directed by Laura Attridge and conducted by Holly Mathiesen.

Further ahead, in Autumn 2020, as another link in our birthday celebrations, we are preparing a major touring "festival" of British opera in the form of new productions of Britten's *The Turn of the Screw*, Tippett's *The Knot Garden* and Turnage's *Greek*.

With regard to operations, we are due to move out of our current office at the end of December 2020 but, given the growth of the administrative staff, we have already started a search for new accommodation. We are considering an opportunity which would give us access to rehearsal studios on the same site, bringing together our administrative and production activity in a way we have aspired to do for some time. Funds have been designated to support the move and also to provide for investment in the initial fit-out of the office unit concerned (which is available on a "shell and core" basis). We are also investing in a new website and a new database to improve our marketing and communications and our audience analysis.

FINANCIAL REVIEW

Our activities for 2018/19 were planned to be ambitious and the Board designated funds to meet the deficit that we anticipated would arise. The actual deficit at the end of the year was £132,720 (2018: surplus of £319,897) which was significantly better than planned. While we didn't meet challenging income targets, costs were also lower than anticipated.

INCOME

Following two years of stability, income for 2018/19 fell to £3,116,485 (2018: £3,406,660), a reduction of 8.5%.

Touring and Production Income

ETO's income generated from touring and production fell by 17.6% this year. There were nine fewer performances in both Autumn & Spring seasons compared to the previous year, a reflection of venue availability and funding dedicated to strategic touring. The number of tickets sold per performance was also lower in Spring 2019 than Spring 2018. Looking back over the past ten years, audience numbers have been relatively stable until the Spring 2019 season. Audience numbers for *Macbeth* were disappointing and compounded by tickets going on sale later than usual at some of our traditionally best-selling venues. A further influence on ticket sales is the timing of local live cinema relays. We continue a dialogue with the Royal Opera House to mitigate the impact of these on our audience numbers.

Donations and Legacies

Arts Council England Income

ETO's 2018/19 Financial Year is the first full year within the four-year National Portfolio Organisation (NPO) funding period from 1 April 2018 to 31 March 2022. The NPO funding agreement gives an indicative figure for annual NPO income of £1,743,322 each year, the same sum received since 2014/15.

With only this standstill core funding in prospect, ETO, with the rest of the arts sector, faces a real-terms cut, posing clear challenges for the years ahead.

Against this backdrop, the Strategic Touring grants ETO has secured from the Arts Council in recent years, in addition to its NPO income, have been important in enabling key strands of work; its current Strategic Touring grant facilitates tours of opera performances and participatory choral projects to places where there are low levels of arts engagement. The current Strategic Touring grant will end in 2019/20 and continuing this strand of valuable work will depend on securing further funding.

Development Income

Development income (from Trust and Foundation grants, syndicates and other private donations, and ETO's Membership scheme) totalled £305,396, a drop of £111,797 against the 2017/18 total of £417,193. Notably, the 2017/18 figures included several grants coming to the end of multi-year funding cycles, including a very generous donation to mark the closure of the Monument Trust.

Of the total 2018/19 sum, £108,589 (2018: £121,127) from Trusts and Foundations supported ETO's Learning and Participation activity, including generous donations from the Foyle Foundation, the Linbury Trust, Fondation EME in Luxembourg, the Joyce Fletcher Charitable Trust and the L.G. Harris Trust.

The remaining £50,000 of Trust Income supported ETO's core and mainstage activity (2018: £113,000).

Individual donations accounted for 38% of Development income and 5% of income overall. Syndicate income remained stable at £47,570, after more than doubling to £52,350 in 2017/18. Membership income is also healthy and stable, with £61,428 achieved in 2018/19 against £60,100 in 2017/18. Gift Aid income was similar in 2018/19 at £23,919 (2018: £22,007).

Legacy income of £6,450 (2018: £39,311) represented the final distribution from one of four bequests received in 2017/18, three of which exceeded £10,000.

Support In-Kind

ETO continued to benefit from donated storage premises during 2018/19. For some years the Poulton Hall Estate has kindly accommodated the company's larger set elements on a site in Oxfordshire. Until summer 2018, ETO benefitted from rent-free storage space at English National Opera's Charlton storage facility which accommodated the bulk of ETO's London store contents. This donated space was replaced by a five year lease on a storage unit in Northfleet on commercial terms, providing an opportunity to fit out and catalogue contents in a way that will provide more efficient access in the future.

Creative Tax Reliefs

ETO claims Theatre Tax Relief on its mainstage and Learning and Participation productions and Orchestra Tax Relief on its concert activity. Income from the combined reliefs in 2018/19 was £229,230 (2018: £209,025) representing 7% (2018: 6%) of ETO's total income for the year.

EXPENDITURE

ETO's expenditure for 2018/19 was £3,249,205 (2018: £3,086,763), an increase of 5% compared to a drop of 1% the year before.

Touring & Production Costs

Rehearsal and creation costs were higher in 2018/19 compared with 2017/18. We invested in a larger chorus and three new productions for Spring 2019, compared to one revival and one concert in Spring 2018.

With fewer performances, costs of touring were lower in Autumn 2018 than Autumn 2017 but similar for the Spring seasons, where savings were offset by a larger cast and more ambitious turnarounds.

Support Costs

ETO's support costs include the salaries of ETO's Executive Director (formerly General Manager/Finance Director), Head of Finance and other administrative staff. In total, these costs were broadly similar to 2017/18.

Other support costs include the costs of running ETO's office in Farringdon and its production stock storage facilities.

Total staff costs (including pensions) accounted for 17% of total expenditure (2018: 17%), consistent with the slim operating model of the organisation.

Learning and Participation – Income & Expenditure

Spending on Learning and Participation activity remained stable between 2017/18 and 2018/19 with the Arts Council England Strategic Touring grant supporting a new initiative with secondary school activity.

Touring and Production income accounted for 22% of total income (2018:19%) for these projects, while Trust & Foundation income, supplying 73% (2018: 62%), was the major source, illustrating the need to sustain fundraised income to support this area of work. This is becoming especially important as schools report increasing pressure on their budgets and are often unable to pay more than a minimal fee. As in 2017/18, there was negligible income from individual donors towards Learning and Participation projects, other than those donating through trusts.

NET MOVEMENT IN FUNDS

Overall there was a decrease in funds of £132,720 (2018: increase of £319,897). At the end of the previous year, £200,000 was designated to support ETO's artistic programme in Financial Year 2018/19 and £185,335 of this was spent.

Total reserves at the close of 2018/19 comprise:

- £20,251 (2018: £36,898) in Restricted Funds;
- £764,224 (2018: £950,000) in Designated Funds; and
- £738,995 (2018: £669,292) in General Funds.

For further details of each Fund, please see the Reserves Policy below.

Financial Outlook

ETO's programme of activity for the next 3 years is outlined in the Business Plan which accompanies its ACE NPO Agreement until 2022. The Plan sets out how ETO will continue to pursue its mission through ambitious artistic and operational objectives in the period, in the context of an ACE annual grant which will remain unchanged at its 2014/15 level over the period.

The Business Plan shows that ETO will need to meet ambitious fundraising targets and make full use of appropriate Creative Tax Relief schemes. The Plan is closely monitored in the light of programming, challenging funding targets, the tightness of the margins within which the company operates, the current economic climate and wider economic factors that may affect both income and expenditure over future years.

However, it is recognised that NPO funding alone will not be sufficient to fund its mission and consequently the company will draw down on its Designated Fund over the period covered by the Plan.

ETO envisages that this policy will allow the company to continue to programme adventurously, while maintaining general reserves at the level of 3 months' operating expenditure during the remainder of the Plan period to June 2022.

RESERVES POLICY

ETO requires reserves to plan its future work, as set out in its Business Plan, with confidence and provide for unforeseen contingencies as they may arise, as highlighted in its risk register. The nature of the company's operation requires reliance on significant levels of income from ACE, grants, donations and ticket sales that can show substantial variation due to changes in the economic climate, governmental policy or exceptional events. As is normal in the sector, ETO develops its artistic plans several years in advance, at which point many of the income streams can only be based on forecasts.

In particular, while ETO's ACE NPO Agreement covers the period to March 2022 inclusive, in the terms of the grant offer, the annual figure quoted is indicative only and there is a risk that current political and economic uncertainty will adversely affect ETO's funding from ACE in the future. ETO's Business Plan also follows a July-June financial year, meaning its 2018-22 Business Plan extends for 3 months beyond the 2018-22 ACE NPO settlement.

Consequently, the company aims to retain general unrestricted (free) reserves at a level the Trustees anticipate will be sufficient to enable the company to continue to operate successfully, provide security from such unexpected variations and other risks and act as a contingency against winding up the company should the need arise. The company intends to review its reserves policy over the coming year and re-assess the appropriate level of free reserves to hold.

Restricted Funds

Restricted Funds of £20,251 (2018: £36,898) comprise:

- £19,793 to fund the depreciation of lighting equipment purchased with a capital grant generously donated by the Linbury Trust
- £350 to go towards bursaries for Young Artist Coaching
- £108 to cover a ticket scheme for two ETO Friends

Designated Funds

At 30 June 2019, ETO has Designated Funds of £764,224 (2018: £950,000) allocated from unrestricted funds by the Board in previous years. These will support the company's future artistic programme, enabling greater ambition during the period 2018-2022 than would otherwise be possible (see *Financial Outlook* above). They will also provide security for planning ETO's Learning and Participation programme as new sources of funding are cultivated and allow increased investment in audience development, focusing on particular areas of least engagement. Finally, they will enable continuing investment in ETO's core administrative team, on improving ETO's digital facilities and to support the move to and fit-out of new premises. The expectation is to spend approximately one third of these funds in each of the next three financial years.

General Fund

At 30 June 2019, ETO holds £738,995 in general, free reserves (2018: £669,292) as provision against unforeseen events and to give security in the longer-term, beyond the current planning horizon.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

ETO is a company limited by guarantee governed by its Memorandum and Articles of Association dated 1 November 1979. A revised Memorandum and Articles of Association was adopted by the Board in June 2018. The current members of the company are the Trustees.

The liability of the members of the company is limited by guarantee. In the event of the company being wound up during the period of membership or within the year following, members are required to contribute an amount not exceeding £1. There were 11 members as at 30 June 2019 (30 June 2018:12).

Appointment of Trustees

Any Trustee is entitled to nominate people for board membership and names go forward to be approved by the Board of Trustees. The Trustees represent a wide range of specialist skills, including but not limited to arts administration, arts performance, finance, human resources and fund-raising. An essential requirement is a passion for opera and a desire to increase access to opera and the diversity of its audience.

Trustee induction and training

Potential new board members are given the opportunity to meet the Chairman and Executive Director before being invited to meet the full Board of Trustees and observe a board meeting. The Trustees are drawn from a wide range of professional backgrounds and are expected to maintain their particular skills in order to contribute to the Board.

Organisation

The Board of Trustees oversees and is responsible for the administration of the company. The board met five times during the period. There were also five meetings of the Finance Committee. The Executive Director is appointed by the Trustees with delegated authority to manage the operations of the company.

Remuneration of key management

The Trustees set the salary for ETO's company leadership - the Executive Director and Artistic Director. The responsibility for salary setting for the remaining members of staff is delegated to the Executive Director. Salary levels are established and reviewed annually with reference to comparable roles in peer organisations of a similar scale and to contracted rates negotiated for artistic personnel.

Risk management

Significant risks are kept under regular review and, where practical, appropriate controls are established and/or tightened to mitigate the risks. ETO also has a comprehensive Risk Register which is reviewed annually. Particular current key risks include:

- vulnerability to drops in generated and voluntary income that may force the company to draw on the company's reserves to sustain the variety, quality and reach of our work. However the Trustees consider that current reserves should be adequate for this purpose, particularly in the light of the security provided by ETO's National Portfolio Organisation funding from ACE (due to continue until 2022)
- changes in the political climate, cultural policies and/or the economic health of the country that may have a negative impact on ETO and/or the arts organisations, artists, audiences and participants that it works with. ETO regularly monitors such changes, their consequences and appropriate ways to respond
- theatre venues visited being under threat in terms of reduced income from Arts Council England, local authorities, other funders and/or their audiences potentially resulting in less income or increased contra costs for the company or the unexpected closure of a venue. The status of venues is kept under close review and deals are struck/implemented to minimise as much as possible the impact of risk on the company
- potential negative impact of "live relay" screenings on live audiences for theatre performances. The company is investing in research into both the negative and the positive impacts of such screenings
- future departure of key member(s) of staff, a risk which is monitored and kept under regular review by the Trustees
- illness or injury suffered or sustained by ETO employees or freelancers, audience members or participants in the course of ETO activity. Health and safety risk assessments are carried out for all ETO activity and the company's Employer's and Public Liability insurance policies are subject to regular review.

The Trustees note that a key element in the management of financial risk is the setting of a reserves policy and its regular review by the Trustees.

INVESTMENT POWERS AND POLICY

Under the Memorandum and Articles of Association, the company has the power to invest in any way the Trustees think fit. The Trustees, having regard to the liquidity requirements of operating the company and to the reserves policy, have operated a policy of keeping available funds in an interest-paying deposit account and limited length treasury deposits, seeking to achieve a rate of deposit interest which matches or exceeds inflation as measured by the retail price index.

In the current low-interest rate environment, the gap between this objective and what is currently achievable in practice continues to be considerable but the Trustees will continue to seek to meet this objective over time. The invested funds held on deposit achieved an approximate rate of 0.75% against the RPIX (retail price index excluding mortgage payments) measure of inflation for the year to 30 June 2019 of 2.8% (3.4% for the year to 30 June 2018). Appropriate opportunities to improve the yield on cash balances continue to be explored, whilst ensuring this does not involve inappropriate risk.

APPROACHES TO FUNDRAISING

ETO's main source of Development income (voluntary income, excluding the public funds it receives from Arts Council England) is Trusts & Foundations, accounting for 52% of its Development income and 5% of its income overall in 2018/19. Grant applications are made to these bodies based on careful research into grant funds available and assessment of their eligibility criteria against ETO's core objectives and the nature of each of its projects.

Income from individual donors, accounting for 38% of Development income and 4% of income overall, is solicited carefully. Direct approaches inviting contributions to specific campaigns are made only to sympathetic patrons who have expressed an interest in receiving such communications.

General opportunities to donate – such as making a one-off donation, contributing regularly via the ETO Friends scheme, or leaving a legacy - are publicised in ETO print literature (e.g. programmes), online on the ETO website and in its social media channels and on ETO's display screens at venues.

ETO does not carry out - or commission from others - any telephone campaigns.

ETO continues to review its data management procedures and privacy policy to ensure compliance with the GDPR regulations.

ETO has an ethical fundraising policy and uses due diligence to ascertain that the Trusts and Foundations and individuals with whom it has – or seeks to establish – a relationship a) derive their income from verifiable and legitimate sources and b) that their investments and business practices are not at odds with ETO's commitment to respecting the environment and upholding human rights.

BOARD MEMBERS

During the year, Sarah Botchway resigned from the Board on 1 April 2019. Since the end of the financial year, Sinéad O'Neill resigned on 16 September 2019. The company is immensely grateful for their contributions during their periods of service. On 16 September 2019, Anita Datta, conductor and Music Director at Beverley Minster, was welcomed to the Board.

As noted last year, ETO was deeply saddened to learn of the untimely death of Judith Ackrill on 11 October 2018. Judith was the Company's longest-serving trustee, and, together with her previous roles at the Arts Council, was connected with the company for most of its existence. The company was proud to take part in a memorial recital for Judith, in June 2019. We continue to miss her guidance and friendship.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of English Touring Opera Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period 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 the income and expenditure, of the charitable company for that period. In preparing these 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

In preparing this report the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Trustees on 27 November 2019 and signed on their behalf by:

Mark Beddy (Chair)

David Burke (Finance Committee Chair)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGLISH TOURING OPERA LIMITED
FOR YEAR ENDED 30 JUNE 2019**

We have audited the financial statements of English Touring Opera for the year ended 30 June 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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 charitable company's affairs as at 30 June 2019 and of the charitable company's net movement in funds 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities on page 12, the trustees (who are also the directors of the charitable company for the purposes 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 trustees 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Weaver

Senior Statutory Auditor

for and on behalf of Haysmacintyre LLP, Statutory Auditors and Chartered Accountants

10 Queen Street Place

London

EC4R 1AG

Date: 2 December 2019

ENGLISH TOURING OPERA LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)

FOR THE YEAR ENDED 30 JUNE 2019

		Unrestricted funds		Restricted funds	Total 2019	Total 2018
	Notes	General £	Designated £	£	£	£
INCOME FROM:						
Donations & Legacies	2	1,845,054	-	331,617	2,176,671	2,338,015
Investments		4,748	-	-	4,748	2,721
Charitable activities						
Touring and production		675,856	-	-	675,856	820,159
Learning and participation projects		29,980	-	-	29,980	36,740
Other income: Creative Tax Relief		229,230	-	-	229,230	209,025
Total income		<u>2,784,868</u>	<u>-</u>	<u>331,617</u>	<u>3,116,485</u>	<u>3,406,660</u>
EXPENDITURE ON:						
Raising funds	3	192,246	1,280	-	193,526	112,907
Charitable activities						
Touring and production	3	2,421,185	142,201	230,856	2,794,242	2,745,480
Learning and participation projects	3	102,175	41,854	117,408	261,437	228,376
Total expenditure	3	<u>2,715,606</u>	<u>185,335</u>	<u>348,264</u>	<u>3,249,205</u>	<u>3,086,763</u>
NET INCOME/(EXPENDITURE)	5	69,262	(185,335)	(16,647)	(132,720)	319,897
Transfers between funds		441	(441)	-	-	-
NET MOVEMENT IN FUNDS		69,703	(185,776)	(16,647)	(132,720)	319,897
Total funds brought forward		<u>669,292</u>	<u>950,000</u>	<u>36,898</u>	<u>1,656,190</u>	<u>1,336,293</u>
TOTAL FUNDS CARRIED FORWARD	10	<u><u>738,995</u></u>	<u><u>764,224</u></u>	<u><u>20,251</u></u>	<u><u>1,523,470</u></u>	<u><u>1,656,190</u></u>

All recognised gains and losses in the period are dealt with above. They are all derived from continuing activities.

The annexed notes form part of these financial statements.

Full comparatives for the year to 30 June 2018 are shown in note 14.

BALANCE SHEET

FOR YEAR ENDED 30 JUNE 2019

	Notes	£	At 30 June 2019 £	At 30 June 2018 £
FIXED ASSETS	7		36,791	41,651
CURRENT ASSETS				
Debtors	8	609,943	613,690	
Cash at bank and in hand		1,085,052	1,294,272	
		<u>1,694,995</u>	<u>1,907,962</u>	
CURRENT LIABILITIES				
CREDITORS: amounts falling due within one year	9	<u>(208,316)</u>	<u>(293,423)</u>	
NET CURRENT ASSETS			1,486,679	1,614,539
NET ASSETS			<u><u>1,523,470</u></u>	<u><u>1,656,190</u></u>
REPRESENTED BY				
Restricted funds	10		20,251	36,898
Unrestricted funds				
- Designated funds	10		764,224	950,000
- General funds	10		738,995	669,292
TOTAL FUNDS			<u><u>1,523,470</u></u>	<u><u>1,656,190</u></u>

The annexed notes form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 27 November 2019 and were signed below on its behalf by:

Mark Beddy (Chair)

David Burke (Finance Committee Chair)

ENGLISH TOURING OPERA LIMITED

CASH FLOW STATEMENT

FOR YEAR ENDED 30 JUNE 2019

	Note	2019 £	2018 £
Net cash (used in)/provided by operating activities	A	(180,368)	187,415
Cash flows from investing activities			
Interest income		4,748	2,721
Purchase of tangible fixed assets		(33,600)	(7,573)
Cash (used in) investing activities		(28,852)	(4,852)
Increase in cash and cash equivalents in the period		(209,220)	182,563
Cash and cash equivalents at the beginning of the period		1,294,272	1,111,709
Total cash and cash equivalents at the end of the period		1,085,052	1,294,272

A. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net (expenditure) / income for the reporting period	(132,720)	319,897
Adjustments for:		
Investment income	(4,748)	(2,721)
Depreciation charge	31,326	23,920
Loss on disposal of Fixed Assets	7,134	-
Decrease in debtors	3,747	6,150
(Decrease) in creditors	(85,107)	(159,831)
Net cash (used in)/provided by operating activities	(180,368)	187,415

1. ACCOUNTING POLICIES

The principal accounting policies adopted are as follows:

a) *Basis of preparation*

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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

English Touring Opera is a Public Benefit Entity registered as a charity and a company in England and Wales. It was incorporated on 1 November 1979 (company number 1458501 and charity number 279354).

b) *Going concern*

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of the charity's financial position, reserves levels and future plans gives Trustees confidence that the charity remains a going concern for the foreseeable future.

c) *Income*

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Donations, gifts and grants and are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

Box office receipts are recognised as income at the date of performance. Learning and Participation income is recognised at the date of the workshop or educational performance.

d) *Expenditure*

Touring and Production, Learning and Participation and Governance costs are all recognised at the date incurred, except where they relate to a future period when they are deferred. Marketing costs are included in touring and production expenses under direct charitable expenditure.

Where expenditure cannot be directly attributed to a single activity it is allocated between activities on a basis consistent with the use of resources. Support costs are apportioned on a per capita basis. Salaries are directly allocated to the activities to which they relate.

Expenditure relating to costumes and stage settings for each production is written off on the date of the first performance.

Governance costs consist of audit, legal and professional fees.

e) *Restricted funds*

Restricted funds represent funds received for specific purposes as laid down by the donor. Expenditure which meets the relevant criteria is charged to the fund together with a fair allocation of staff and support costs.

f) *Unrestricted funds*

Unrestricted designated funds are amounts which have been put aside out of unrestricted funds for specific expenditure purposes at the discretion of the Trustees. Unrestricted general funds are available for use at the discretion of the Trustees in furtherance of the general objects of the company.

g) *Operating leases*

Rentals paid under operating leases are charged to expenditure on a straight line basis over the lease term.

h) Tangible fixed assets

Assets costing in excess of £500 are capitalised. Tangible fixed assets are stated at cost less accumulated depreciation over their estimated useful lives on a straight line basis as detailed below:

Lighting equipment - 5 years

Furniture, fittings and equipment - 3 years

i) Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. All financial instruments in both periods are held at amortised cost.

j) Debtors

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

k) Cash at bank and in hand

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

l) Creditors and provisions

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

m) Employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

The charity runs an Auto-Enrolment pension scheme introduced on 1 July 2017. All staff are enrolled on commencement of their employment, though they may exercise their right to opt out. The charity also contributes to personal pension schemes for some employees. The pensions costs charged in the financial statements represent the contributions payable during the year.

n) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. DONATIONS & LEGACIES

	Unrestricted funds		Restricted funds			Total
	2019	2018	2019	2018	2019	2018
	£	£	£	£	£	£
Arts Council England – General Grant	1,743,322	1,743,322	-	-	1,743,322	1,743,322
Arts Council England – Strategic Touring Grant	-	-	127,953	177,500	127,953	177,500
Trusts and Foundations	5,000	95,500	153,589	138,627	158,589	234,127
Donations and Friends	66,363	65,118	50,075	56,630	116,438	121,748
Gift aid	23,919	22,007	-	-	23,919	22,007
Legacies	6,450	39,311	-	-	6,450	39,311
	<u>1,845,054</u>	<u>1,965,258</u>	<u>331,617</u>	<u>372,757</u>	<u>2,176,671</u>	<u>2,338,015</u>

3. EXPENDITURE

	Direct staff costs	Other direct costs	Support & Governance costs	Total
	2019	2019	2019	2019
	£	£	£	£
Raising funds	61,883	13,793	117,850	193,526
Charitable activities:				
Touring and production	177,822	2,317,119	299,301	2,794,242
Learning & participation projects	50,710	128,420	82,307	261,437
	<u>290,415</u>	<u>2,459,332</u>	<u>499,458</u>	<u>3,249,205</u>

	Direct staff costs	Other direct costs	Support & Governance costs	Total
	2018	2018	2018	2018
	£	£	£	£
Raising funds	58,417	7,915	46,575	112,907
Charitable activities:				
Touring and production	148,034	2,229,784	367,662	2,745,480
Learning & participation projects	67,337	123,779	37,260	228,376
	<u>273,788</u>	<u>2,361,478</u>	<u>451,497</u>	<u>3,086,763</u>

4. ANALYSIS OF SUPPORT & GOVERNANCE COSTS

	2019 £	2018 £
Staff costs	247,674	245,401
Office & store rent	55,635	50,325
Other support costs	171,060	138,716
Governance costs	25,089	17,055
	<u>499,458</u>	<u>451,497</u>

Governance costs comprise audit, legal and professional fees and board member expenses (see note 5).

5. NET EXPENDITURE / INCOME FOR THE YEAR

	2019 £	2018 £
This is stated after charging:		
Operating lease payments	60,208	25,422
Depreciation	31,326	23,920
Auditor's remuneration	8,400	8,025
- audit fee		
- tax advisory	5,250	4,250
	<u>105,184</u>	<u>59,617</u>

No member of the Board of Trustees received any remuneration in respect of his or her services (2018: £Nil). One member of the Board of Trustees was reimbursed travel expenses (within the UK) amounting to £402 (2018: £261).

6. STAFF COSTS

	2019 £	2018 £
The total staff costs for the period were as follows:		
Salaries	449,825	434,867
Social security costs	40,081	39,618
Pension contributions	48,183	50,091
	<u>538,089</u>	<u>524,576</u>

One employee received annual remuneration between £70,000 and £80,000 per annum (2018: one employee between £80,000 and £90,000). Employer pension contributions for this employee for the period totalled £8,160 (2018: £8,160).

No other employee's annual remuneration exceeded £60,000 per annum.

Artistic Director (formerly General Director), James Conway received directing fees totalling £18,500 (2018: £7,500) for the ETO productions he directed during the year, in addition to his permanent staff salary.

6. STAFF COSTS (continued)

Artistic Associate, Bradley Travis is employed on a part-time basis as Head of Learning and Participation. At other times he received fees for directing and performing in ETO operas during the year, totalling £12,807 (2018: Head of Education Tim Yealland received writing/directing/workshop fees totalling £6,843 for ETO projects in addition to his permanent staff salary).

The average number of staff employed during the year was 14.8 (2018: 13.7). The average number of full-time equivalent staff was 14.1 (2018: 13.7).

Total Key Management Personnel compensation in the year, including employer national insurance contributions and pension contributions, was £152,676 (2018: £190,682).

7. TANGIBLE FIXED ASSETS

	Lighting equipment £	Furniture, fittings and equipment £	Total £
Cost			
At 1 July 2018	170,568	151,000	321,568
Additions	-	33,600	33,600
Disposals	(40,206)	(19,238)	(59,444)
Transfers	(48,969)	44,446	(4,523)
	<hr/>	<hr/>	<hr/>
At 30 June 2019	81,393	209,808	291,201
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 July 2018	144,504	135,413	279,917
Charge for the period	11,414	19,912	31,326
Disposals	(35,789)	(16,521)	(52,310)
Transfers	(48,969)	44,446	(4,523)
	<hr/>	<hr/>	<hr/>
At 30 June 2019	71,160	183,250	254,410
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 30 June 2019	10,233	26,558	36,791
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 1 July 2018	26,064	15,587	41,651
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ENGLISH TOURING OPERA LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2019

8. DEBTORS

	2019	2018
	£	£
Trade debtors	73,098	82,681
Prepayments and accrued income	521,480	524,618
Other debtors	15,365	6,391
	<u>609,943</u>	<u>613,690</u>

9. CREDITORS

	2019	2018
	£	£
Trade creditors	114,487	38,511
Accruals and deferred income	66,631	199,860
Other tax and social security	24,744	55,052
Other creditors	2,454	-
	<u>208,316</u>	<u>293,423</u>

Analysis of deferred income	2019	2018
	£	£
At 1 July	152,120	221,333
Released to income in the period	(152,120)	(221,333)
Deferred in the period	40,917	152,120
	<u>40,917</u>	<u>152,120</u>
Closing balance	<u>40,917</u>	<u>152,120</u>

Deferred income relates to grants and donations received in advance for activity taking place in the following year.

10. MOVEMENT IN FUNDS

	As at 1 July 2018 £	Income £	Expenditure £	Transfers £	As at 30 June 2019 £
Unrestricted funds					
General funds	669,292	2,784,868	(2,715,606)	441	738,995
Designated funds	950,000	-	(185,335)	(441)	764,224
	<u>1,619,292</u>	<u>2,784,868</u>	<u>(2,900,941)</u>	<u>-</u>	<u>1,503,219</u>
Restricted funds					
Autumn Season	-	44,320	(44,320)	-	-
Spring Season	-	48,350	(48,350)	-	-
Strengthening Live Opera Provision Nationwide	-	127,953	(127,953)	-	-
Learning & Participation	-	109,419	(109,419)	-	-
Young Artists	600	1,475	(1,725)	-	350
Keyboard Instrument Fund	158	-	(158)	-	-
Lighting Rig Fund	35,962	-	(16,169)	-	19,793
Ticket Fund	178	100	(170)	-	108
	<u>36,898</u>	<u>331,617</u>	<u>(348,264)</u>	<u>-</u>	<u>20,251</u>
Total funds	<u>1,656,190</u>	<u>3,116,485</u>	<u>(3,249,205)</u>	<u>-</u>	<u>1,523,470</u>

Restricted funds

Autumn and Spring Season activity was completed in 2018/19, supported by a syndicate of individual donors and specific grants.

Strengthening Live Opera Provision Nationwide activity spans four years, continuing until 2019/20 and supported by a multi-year grant from Arts Council England's Strategic Touring fund. It includes performances of one of ETO's mainstage productions and children's operas in under-served locations each year and a series of Autumn concerts with local choirs.

The Learning and Participation Fund supported ETO's Learning and Participation projects in 2018/19.

The Lighting Rig Fund is supported by a grant from the Linbury Trust. This enabled the upgrade and re-stocking of ETO's touring lighting rig. The initial purchase was made in 2016 and the value of the items is being depreciated over 5 years.

The Keyboard Instrument Fund is supported by a grant from the Wolfson Foundation. This enabled the purchase of new, specialist keyboard instruments. The initial purchase was made in 2016 and the value of the items has been depreciated over 3 years.

The Young Artists Fund supported costs associated with early-career artists' engagements for Spring seasons, including bursaries towards specialist coaching as well as a range of training activities and masterclasses on tour.

The Ticket Fund supports tickets purchased by individuals for others as a gift.

10. MOVEMENT IN FUNDS (continued)**Unrestricted funds**

Unrestricted funds include General Funds of £738,995 (2018: £669,292) and Designated Funds of £764,224 (2018: £950,000) in total.

Largely composed of gains from Theatre Tax Relief, Designated Funds will support the company's future artistic programme, enabling greater ambition during the period 2018-2022 (the current ACE National Portfolio Organisation period) than would otherwise be possible. They will also provide security for planning ETO's Learning and Participation programme as new sources of funding are cultivated and allow increased investment in audience development, focusing on particular areas of least engagement. Additionally, they will fund investment in ETO's core administrative team, digital facilities and premises, to bolster future resilience. It is anticipated that the majority of these funds will be drawn down for these purposes over the next three financial years.

Comparatives for the year to 30 June 2018 are shown in note 15.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Fixed assets	36,791	-	36,791
Current assets	1,674,744	20,251	1,694,995
Current liabilities	(208,316)	-	(208,316)
Net assets	<u>1,503,219</u>	<u>20,251</u>	<u>1,523,470</u>

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £
Fixed assets	5,531	36,120	41,651
Current assets	1,907,184	778	1,907,962
Current liabilities	(293,423)	-	(293,423)
Net assets	<u>£1,619,292</u>	<u>£36,898</u>	<u>£1,656,190</u>

12. OPERATING LEASE COMMITMENTS

At 30 June 2019, the charity was committed to the following minimum future payments under operating leases:

	Office equipment		Land and buildings	
	2019	2018	2019	2018
	£	£	£	£
In less than one year	4,232	4,232	57,500	35,000
In two to five years	9,521	13,753	133,125	48,125
In more than five years	-	-	72,000	-
	<u>13,753</u>	<u>17,985</u>	<u>262,625</u>	<u>83,125</u>

ETO moved to its current office premises at Britton Street, EC1M in December 2017 and has a lease extending to December 2020.

In August 2018, ETO vacated storage space at Charlton provided by English National Opera and moved the contents to a new leased facility at Northfleet, Kent. This ten year lease extends until 18 August 2028, with an option to terminate after 5 years and another option to terminate after 8 years.

ETO is grateful for additional storage space donated by Poulton Hall Estate. As the company would not rent this space were it not offered free of charge, no value is included in the accounts for this gift in kind.

The lease for ETO's current photocopier is due to expire in September 2022.

13. RELATED PARTY TRANSACTIONS

In 2018/19, J.P. Kenny, civil partner of J Conway, Artistic Director, was hired by the charity as Conductor in the Autumn 2018 and Spring 2019 seasons. He was remunerated £32,620 for these services (inclusive of tour expenses) in line with fees and expenses of other conductors engaged by ETO (2018: remunerated £23,104 for conducting in the Autumn 2017 season).

In 2017/18, Omar Ebrahim, civil partner of T Yealland, Head of Education, was hired by the charity as a singer in the Spring 2018 season. He was remunerated £15,975 for these services (inclusive of tour expenses) in line with fees and expenses of other singers engaged by ETO.

The aggregate of donations received from the Trustees and their related parties in the period was £25,220 (2018: £12,895).

14. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 30 JUNE 2018

	General	Unrestricted funds Designated	Restricted funds	Year to 30 June 2018
	£	£	£	£
INCOME FROM:				
Donations & Legacies	1,954,239	11,019	372,757	2,338,015
Investments	2,721	-	-	2,721
Charitable activities				
Touring and production	760,494	59,665	-	820,159
Learning and participation projects	36,740	-	-	36,740
Other income: Theatre Tax Relief	209,025	-	-	209,025
Total income	<u>2,963,219</u>	<u>70,684</u>	<u>372,757</u>	<u>3,406,660</u>
EXPENDITURE ON:				
Raising funds	112,907	-	-	112,907
Charitable activities				
Touring and production	2,382,119	96,372	266,989	2,745,480
Learning and participation projects	107,249	-	121,127	228,376
Total expenditure	<u>2,602,275</u>	<u>96,372</u>	<u>388,116</u>	<u>3,086,763</u>
NET INCOME/ (EXPENDITURE)	360,944	(25,688)	(15,359)	319,897
Transfers Between Funds	(275,688)	275,688	-	-
NET MOVEMENT IN FUNDS	85,256	250,000	(15,359)	319,897
Fund balances brought forward	584,036	700,000	52,257	1,336,293
FUND BALANCES CARRIED FORWARD	<u><u>669,292</u></u>	<u><u>950,000</u></u>	<u><u>36,898</u></u>	<u><u>1,656,190</u></u>

15. COMPARATIVE MOVEMENT IN FUNDS ANALYSIS FOR THE YEAR ENDED 30 JUNE 2018

	As at 1 July 2017 £	Income £	Expenditure £	Transfers £	As at 30 June 2018 £
Unrestricted funds					
General funds	584,036	2,963,219	(2,602,275)	(275,688)	669,292
Designated funds	700,000	70,684	(96,372)	275,688	950,000
	<u>1,284,036</u>	<u>3,033,903</u>	<u>(2,698,647)</u>	<u>-</u>	<u>1,619,292</u>
Restricted funds					
Autumn Season	-	39,900	(39,900)	-	-
Spring Season	-	30,650	(30,650)	-	-
Strengthening Live Opera	-	177,500	(177,500)	-	-
Provision Nationwide	-				
Learning & Participation	-	121,127	(121,127)	-	-
Young Artists	2,097	3,580	(5,077)	-	600
Keyboard Instrument Fund	2,300	-	(2,142)	-	158
Lighting Rig Fund	47,682	-	(11,720)	-	35,962
Ticket Fund	178	-	-	-	178
	<u>52,257</u>	<u>372,757</u>	<u>(388,116)</u>	<u>-</u>	<u>36,898</u>
	<u>1,336,293</u>	<u>3,406,660</u>	<u>(3,086,763)</u>	<u>-</u>	<u>1,656,190</u>