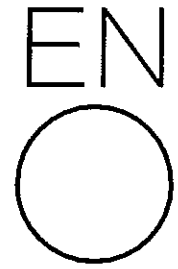


Report and financial statements

for the year ended 31 July 2018



A Charitable Company Registered in England:
Number 426792 and Limited by Guarantee

Registered Charity Number: 257210

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Legal and administrative information

President

Sir Vernon Ellis

Board of Trustees
At Date of Signature

Chair

Dr Henry Brunjes

Nicholas Addyman
Nicholas Allan
Sally Burgess
Patricia Dimond
Philip Edgar-Jones
Louise Jeffreys
Catherine May
Huw Van Steenis
Lord Sumption
Patricia White
Stuart Anthony Whitworth-Jones

Secretary to the Board
John Cooke

Executive Officers

Chief Executive Officer
Stuart Murphy

Artistic Director
Daniel Kramer

Music Director
Martyn Brabbins

Finance Director
Andrew Gambrell
(Resigned 14 December 2018)

Senior Management Team

Director of Commercial
Gary England
Creative Associate and Producer
Bob Holland
Director of Development
Chris Martin
Director Orchestra and Music Department
Richard Meads
Technical Director
Matt Noddings
Director of Marketing and Audience Engagement
Carolyn Sims
Director of Coliseum Operations
Geoff Summerton
Director of People
Vinita Suryanarayanan

Registered and Principal Office

London Coliseum, St Martin's Lane,
London WC2N 4ES

Solicitors

Bates Wells & Braithwaite
2-6 Cannon Street, London EC4M 6YH

Bankers

Coutts & Co.
440 Strand, London WC2R 0QS

Auditor

Grant Thornton UK LLP
Statutory Auditor
30 Finsbury Square, London EC2A 1AG

A Company registered in England no.426792, limited by Guarantee and constituted under the Companies Acts and Memorandum and Articles of Association. Registered Charity no. 257210

Trustees' report

for the year ended 31 July 2018

The Trustees (who are also Directors for Companies Act purposes) present their annual report and consolidated financial statements of English National Opera (ENO) and its subsidiary undertakings, English National Opera Trading Limited and English National Opera Productions Limited, together with the report of the independent auditor, for the year ended 31 July 2018.

Objectives and public benefit

Our vision
Lives changed through opera.

Our mission
ENO exists for everyone, creating new experiences with opera that inspire, nurture creativity and make a difference.

Our mission objectives
We take a fresh inspiring approach to opera to reflect the diversity of our culture.

We sing in English, as we believe it enhances the emotional connection between performers and audiences.

We encourage creativity throughout the company and our commitment to the future of opera provides a platform to develop outstanding careers.

We connect to audiences through inspiring, accessible, world-class opera and stimulating, creative participation programmes.

We work with a wide range of visiting companies to generate essential revenue and welcome new audiences to share the experience of our theatre.

Public benefit

In developing its plans ENO has given regard to the Charity Commission Guidance on public benefit, including the guidance on public benefit and fee charging. ENO focuses on delivering the widest public benefit in many ways, including:

- Commitment to developing new audiences for opera;
- An adventurous programme of distinctive and dynamic work that would not otherwise be seen in the UK;
- Supporting and developing UK opera talent and the wider creative economy through the engagement of talent from across the arts;
- Development and nurturing of British talent, 92% of the cast in the 2017-18 season were British or British trained. ENO creates opportunities on stage and through training and development programmes as outlined in the Achievements and Performance section below;
- Accessibility to opera for everyone through affordable ticket pricing, an open and friendly attitude and performances presented in English;
- Developing engagement and participation through learning and participation projects such as ENO Opera Squad (see Achievements and Performance);
- Celebrating the UK creative industries abroad through international collaborations and ENO's work travelling overseas; and
- The development of the opera art-form through the commission and presentation of contemporary opera including works by living composers.

Trustees' report for the year ended 31 July 2018

Strategic Report

Achievements and performance

An ambitious and innovative artistic programme that delivers public value is at the centre of ENO's activities.

In the year to 31 July 2018, ENO staged 9 main-stage opera productions at the London Coliseum, including a world premiere and a further 3 productions new to London audiences in line with its plans. Audiences for ENO performances reached 150,000 and in addition 84,000 saw *Chess* presented in association with Michael Grade and Michael Linnit.

ENO continued its Studio Live programme with *Acis and Galatea*. *Turn of the Screw* was presented in collaboration with Regents Park Open Air Theatre and *Effigies of Wickedness* with the Gate.

World class opera

In the period ENO achieved high artistic and musical acclaim across its programme, which included the world premiere of *Marnie*. ENO's artistic programme included 9 productions at the London Coliseum together with work presented in association with other companies across London.

The artistic programme was as follows:

New Productions

Aida
Marnie
Iolanthe
La Traviata

Revivals

The Barber of Seville
Rodelinda
The Marriage of Figaro
A Midsummer Night's Dream
Satyagraha

ENO Studio Live *Acis and Galatea*

ENO Collaborations

Chess in association with Michael Linnit and Michael Grade at the London Coliseum. *Turn of the Screw* with Regent's Park Open Air Theatre. *Effigies of Wickedness* with the Gate Theatre.

International presence

ENO's strong international reputation for creativity and distinctiveness means the Company collaborates with major international opera houses and our work is seen on the world stage during the period.

Marnie was co-produced with the Metropolitan Opera, New York, *Aida* with Geneva Opera and Houston Grand Opera and *La traviata* with Theater Basel.

ENO productions seen overseas in this period include *Pearl Fishers* (Los Angeles Opera), *Don Giovanni* (Norwegian Opera and Ballet, Oslo), *Così fan tutte* (The Metropolitan Opera), *Benvenuto Cellini* (Opera de Paris) and *Lucia di Lammermoor* (Norwegian Opera and Ballet and Teatro Real, Madrid).

Opera for everyone

Across the period ENO staged 95 performances (2017: 112) which attracted a total audience of 150,000 at 71% of capacity (2017: 171,000 attendees and 69% capacity). *Marnie* was broadcast on BBC Radio 3 reaching an estimated audience of 139,000.

ENO's ambition to reach and develop a wider audience has led to date, to 52% of audiences being first time bookers at ENO (2017: 47%). The audience development strategy was supported by affordable ticket pricing (with more than 45,000 tickets being made available at £20 or less).

Opera Undressed continues to engage audiences. In 2017/18, 1,141 (2017: 699) people attended an Opera Undressed event. Undressed events continue to engage audiences new to ENO and 35.8% (2017: 33%) have returned at least once since the scheme began.

ENO's Access All Arias scheme provides a free membership for people who are under 30 or in full-time education, offering discounted tickets to all performances. In 2017/18 over 1900 tickets were sold.

Trustees' report for the year ended 31 July 2018

Strategic Report

Working with young people

We continued to develop our programme with 11-18 year olds in 2017/18, deepening relationships that had already been forged, both with secondary schools and individual young people, and expanding our reach to new schools and a wider network of teenagers from across London.

Across the year, we focused on nurturing new relationships with 4 secondary schools through our Opera Squad residencies, delivering a bespoke programme of work in each school that responded to their identified needs, across the curriculum. These schools were Riverside School (Barking and Dagenham), Queens Park Community School (Brent), Pimlico Academy (Westminster) and St Paul's Academy (Greenwich). We worked in close dialogue with an additional 22 secondary schools across London, all with above average free school meals, BAME and SEN, including schools that had previously hosted Opera Squad and others that engaged through specific curriculum linked activity such as critical writing, composition or singing. Many of the schools we are in contact with are suffering the impact of budget cuts and the imposition of the E Bacc has hit creative subjects particularly hard. Opera only features on some music curriculae at GCSE and A-Level, so the onus remained on Baylis to propose how schools could take advantage of a relationship with an opera company. We began a new strand of the schools programme to support singing in schools as part of a targeted effort to identify young people with a particular interest in singing, and vocal and dramatic potential, who may not have been exposed to opera before and who could be supported to develop their skills further as part of a sector-wide push to collaborate and support training pathways into the industry. Individuals were also signposted towards specific casting opportunities for ENO productions such as *Noye's Fludde*, as part of our commitment to increasing the diversity of performers on stage.

During this academic year, 5092 pupils were exposed to opera performed live in their school and 1217 took part in interactive workshops led by professional artists from ENO in their school. We delivered more activity with schools, engaged a greater number of young people, and developed ongoing relationships with more teachers than in previous years.

We continued to create opportunities for school groups to come to the London Coliseum to experience ENO productions, meet professionals working in the industry and learn about what goes on behind the scenes. More schools took up these opportunities than in previous years, with a total 74 school classes (1578 pupils) experiencing ENO productions across the season.

Our Youth Programme continued to support young people from across London who are interested in developing their creative voice outside of school. 284 young people from 59 different schools across London took part in our creative projects in the school holidays and Unplugged Industry Insight events during term time. We proactively targeted pupils through our schools network to support individuals who may not otherwise have the opportunity to take part in arts activity outside of school, and started to notice the impact of peer networks with young people spreading word to their friends at other schools. We continued to use operas in the ENO season as the springboard for creating new work, with our February half term project being inspired by *Satyagraha* and our Summer holiday project being inspired by *Effigies of Wickedness*. We piloted a new year-long programme in 2017/18 to support young people we have met through our schools and youth programmes who are committed to developing their skills further. 11 young people aged 14-18 took part in this pilot Youth Company, working together across the year in every school holiday to develop skills, probe the art form and create new work.

Trustees' report for the year ended 31 July 2018

Strategic Report

Creative collaborations

ENO developed and consolidated relationships with outstanding creative talent from across the arts, leading to many exciting creative propositions.

Cal McCrystal directed *Iolanthe*, his first opera, to great critical and audience acclaim. The production finished its run the fourth most successful single production run in ENO history.

Phelim McDermot returned to ENO to direct a new production of *Aida* and to revive *Satyagraha* to record audiences.

Marnie by Nico Muhly, commissioned by and co-produced with the Metropolitan Opera, received its world premiere by ENO.

Nurture talent

Singers

ENO continues to support British talent through employment - over 90% of singers and conductors during the period were British born, trained or resident.

ENO's successful programme for the training and development of talented emerging singers, ENO Harewood Artists, offered outstanding singers bespoke training and development. The singers, most of whom had principal roles with ENO during the period included, Andri Björn Róbertsson, Katie Coventry, Eleanor Dennis, Matthew Durkan, David Ireland, Rhian Lois, Soraya Mafi, Samantha Price, Bozidar Smiljanic, Katie Stevenson and Elgan Llŷr Thomas.

Conducting

During our 17-18 Season, 7 of our Main Stage operas were conducted by British Conductors, and we were also delighted to have two female conductors appear in the season. One of our Music Staff Chris Hopkins conducted two performances of *Iolanthe*.

Matthew Waldren and Toby Purser on the ENO Mackerras Fellowship for conducting, both conducted a performance on the main stage this season. This fellowship celebrates the legacy of Sir Charles Mackerras, ENO Music Director between 1970 and 1977, and continues to provide a unique opportunity for an exceptional emerging conducting talent to develop their skills through a structured two year programme.

ENO Studio Live

In the summer of 2018 we presented *Acis and Galatea* as ENO Studio Live.

ENO Studio Live showcases the company's exceptional emerging and in house talent. We followed the success of *Trial by Jury* and *The Day After* in 2016/17 with *Acis and Galatea* at the end of our 2017/18 season, again showcasing one of our Harewood Artists, directed by ENO Staff Director Sarah Tipple and conducted by Nicholas Ansdell-Evans, one of the ENO music staff.

Other collaborations were *Turn of the Screw* with Regents Park Open Air Theatre and *Effigies of Wickedness* at the Gate Theatre.

Composers

Nico Muhly's *Marnie*, based on the book by Winston Graham, received its world premiere during the season.

ENO and Opera North commissioned Iain Bell to compose the opera *Jack the Ripper: The Women of Whitechapel* with Emma Jenkins writing the Libretto. This production will premiere in March 2019 at the London Coliseum.

Musicians

ENO Evolve, the only training scheme for young orchestral players in an opera house in the UK, continued and ENO provided a unique trainee repetiteur programme to support the development of highly skilled emerging pianists.

Trustees' report for the year ended 31 July 2018

Strategic Report

Fundraising

This period saw significant results from fundraising, set against the backdrop of a challenging economic climate. Membership schemes and general donations generated a similar level of income to prior periods. Production syndicates were assembled for *Aida*, *La Traviata*, *Marnie* and *Iolanthe* with significant gifts and grants being attracted particularly for *Iolanthe* and *Marnie*.

ENO Friends and Opera Circle Patrons continued to thrive as did programmes in support of the Harewood Artists Scheme which saw a highly successful 'match campaign' in November. A number of new members of the Directors Circle were secured and gifts of particular note were secured in support of the Baylis in the Balcony programme, Opera Squad and for the Learning and Talent Development programmes in general. In addition, the corporate partnerships programme had a particularly strong period with a number of new sponsors, corporate memberships and corporate hospitality clients.

The fundraising team also led on securing increased revenues from opening Dress Rehearsals to ENO Friends and they made progress in securing support for work outside of the London Coliseum. In addition, they took steps to redesign the Membership Scheme, mounted a Patrons tour to New York and produced a highly successful fundraising gala at Gibson Hall in the City of London.

ENO appointed one external professional fundraiser in the year to cultivate corporate supporters for ENO. ENO did not enter into agreements with any commercial participators during this period - the fundraising department comprise of ENO employees. ENO is registered with the Fundraising Regulator, complies with the Code of Fundraising Practice and is not aware of any failure to comply with that Code. ENO has received no complaints about its fundraising activities. ENO does not make any approaches which intrude upon a person's privacy and all members of the fundraising team are trained to ensure that approaches are handled sensitively.

Future plans

ENO's plans are designed with the focus set out under Objectives and Public Benefits on page 2, making world-class opera for everyone through creative collaborations, international partnerships, audience development initiatives and to develop and nurture talent.

In the year to 31 July 2019 ENO will stage 9 productions at the London Coliseum (including one World Premiere among five new productions) and target a total audience of 130,000.

In the Spring of 2019 Michael Linnit and Michael Grade in collaboration with ENO will present *Man of La Mancha*.

In the Summer of 2018 ENO will present Paul Bunyan at Wilton's Music Hall as part of ENO Studio Live.

The Summer of 2019 will see:

- ENO and the Unicorn Theatre, the UK's leading theatre for young audiences, joining forces for the first time to create a new production of Purcell's masterpiece, *Dido and Aeneas*, for teenagers and adults.
- A co-production with Theatre Royal Stratford East of Noye's *Fludde*.
- A collaboration with Regents Park Open Air Theatre of *Hansel and Gretel*.
- The ENO Orchestra will play for the productions of *Don Carlo* and *Hansel and Gretel* at Grange Park Opera.

Trustees' report

for the year ended 31 July 2018

Financial Review

Financial review

The Consolidated Statement of Financial Activities for the period is set out on page 16. The consolidated position at 31 July 2018 is set out in the Group Balance Sheet on page 17.

The prior year period was for the 16 months to 31 July 2017 and all 2017 comparatives are included on this basis.

The Group overall surplus was £947,000 in the year to 31 July 2018 (16 months to 31 July 2017 £3,290,000). Within this surplus ENO received £1,233,000 transition funding from ACE (2017: £2,997,000) in addition to its core grant to support the company whilst it restructures its operations in response to the £4,800,000 reduction in annual core funding from 1 April 2016. The Group's unrestricted operating deficit was £478,000 (2017: surplus £816,000) following transfers of £130,000 to the designated Capital Reserve, £1,066,000 to the designated Maintenance fund, £626,000 for Strategic Investment and £384,000 to a fund in respect of amounts received in advance.

At the period end, unrestricted reserves totaled £6,022,000 (2017: £4,321,000) and the Company's free reserves at the balance sheet date were £2,224,000 (2017: £2,702,000). Within unrestricted reserves the Company holds designated funds for: strategic investment in new commissions and other projects of £689,000 (2017: £63,000), investment in a properties workshop of £49,000 (2017: £76,000), capital reserve of £945,000 (2017: £815,000) and maintenance fund of £1,731,000 (2017: £665,000). £384,000 of funds accounted for in the current period in respect of 2018/19 activity have been allocated to a specific designated fund and will be expended in that year.

The Company retains free reserves as a contingency against operational risks as follows:

- Any significant variation from budget in box office and development revenue for the following two seasons;

- Uncontracted visiting company weeks at the London Coliseum over the following 12 months; and
- Exceptional cost risks in the operating budgets in the following two years.

The level of unrestricted reserves of £2.2m is currently considered the minimum appropriate for this purpose.

The principal funding sources are the income generated through the activities of ENO and the core grant received from Arts Council England (ACE) (note 3). In the period under review this income was applied to the charitable activities of the Company in support of the key objectives.

Significant Financial Events

In April 2018 the company was readmitted to the ACE National portfolio and ENO entered into a four year funding agreement with ACE of £12.38m per annum. This funding is based on the company's business plan for that period.

Trustees' report for the year ended 31 July 2018

Financial Review

Principal risks and uncertainties

Key Risks

Management review and monitor the key risks faced by the Company in achieving its objectives and report annually to the Audit and Risk Committee and Board. The Board and the Audit and Risk Committee have reviewed the material risks the Company faces and identified the measures currently in place to mitigate those risks.

The key strategic risks to the Company are considered to be:

- Reputation. ENO consistently delivers world class opera in London and internationally in collaboration with our co-production partners. Any actual or perceived reduction in artistic reputation is likely to reduce box office, development and grant income and make international collaboration more difficult. Mitigated by board oversight of current and future planning through the Artistic Committee, monitoring of response through post performance audience surveys and press and peer reviews.
- Grant and donation income. ENO depends on its ability to generate significant amount of grant (ACE) and Development Income. Any significant fall would further challenge our operating model. Mitigated by a clear planning process and development strategy and ensuring ENO's plans effectively respond to our stakeholders.
- Financial resilience. ENO is dependent on income streams sensitive to broader economic issues such as any general downturn, or any implications from Brexit, and are highly variable in their nature. The cost base is committed on a timescale significantly ahead of the receipt of revenue. Mitigated through a clear reserve policy approved by the Board that is reviewed annually, together with a robust forward planning cycle to ensure that future cost commitments are appropriate to the anticipated future income streams.
- A skilled and efficient workforce. ENO relies on its people. Inability to recruit or retain the people due to insufficient remuneration or reputational issues would severely damage our ability to deliver a world-class range of output. This is mitigated by a range of personnel and organisational policies to ensure ENO remains competitive.

Long terms plans are reviewed annually by the Finance Committee and Audit and Risk Committee to ensure the appropriateness of future revenue and cost assumptions and that the company is continuing to respond to the reduction in Arts Council Funding.

Trustees' report for the year ended 31 July 2018

Financial Review

Investment policy and returns

Cash which is surplus to short-term operating requirements is invested in bank accounts or charity investment funds.

The ENO Create fund is invested in a UK and international portfolio of equities, bonds and cash by investment managers Smith and Williamson Investments as permitted by the Company's memorandum and articles of association and in accordance with the mandate agreed by the Investment Committee. The trustees have not set an exclusionary policy with regard to investments held but individual investments may be excluded if perceived to conflict with the purpose of the endowment.

The investment policy confirms the range of permitted investments both by type and by region. The portfolio has a long term investment horizon with emphasis on income, and a medium risk profile. The asset allocation and return against appropriate benchmarks is regularly assessed by the investment committee. Over the period the fund performance on a total return basis of 3.74% was lower than the benchmark rate of 4.83%.

Income earned from the investment fund held was reinvested during the period. Total income recognised in the period was £206,000 (2017: £302,000). The net loss from revaluation of securities in the period was £76,000 (2017: gain £873,000).

The Audrey Gunn Fund sold its equity and bond investments in the year and is now invested in bank deposit accounts. Total income recognised in the period was £nil (2017: £2,235). The net gain from sale and revaluation of securities in the period was £nil (2017: £3,665).

Changes in non-current assets

The movements in fixed assets in the period are set out in notes 11 and 12 to the financial statements.

Trading subsidiaries

English National Opera Trading Limited (Company Number 2379051) is a wholly-owned subsidiary of ENO with income derived from sponsorship activities. The subsidiary was dormant in the period and no amount was paid to the parent Company.

English National Opera Productions Limited (Company Number 9184219) is a wholly-owned subsidiary of ENO with income derived from operatic, musical and other theatrical productions. £111,751 was paid to the parent in year.

Connected charities

The Company has connections with the following registered charitable organisations:

The English National Opera Benevolent Fund (registered charity number 211249), administered from the London Coliseum, and established for the provision of welfare and financial assistance to past and present employees of ENO and its antecedent companies.

The American Friends of English National Opera, registered in New York as a charity under US Federal Tax law, for the purposes of promoting association with and gathering support for the aims of ENO in North America.

None of these connected charities have been consolidated as the Board is of the opinion that none of these entities are controlled so as to meet the definition of a subsidiary or quasi-subsidiary of ENO.

Trustees' report

for the year ended 31 July 2018

Structure and Governance

ENO is a registered charitable company limited by guarantee all members having a liability not exceeding £10 per member. At 31 July 2018 there were twelve members (2017: 12 members).

Its business is governed by the provisions of the Charities Act 2011 and by its memorandum and articles of association. The main object of the Company is to encourage the understanding and appreciation of the dramatic art by producing performances of opera and concerts of cultural value to the community.

The financial statements are drawn up in accordance with the provisions of the Companies Act 2006, the Statement of Recommended Practice - Accounting and Reporting by Charities, and applicable accounting standards.

Each Trustee is also a member and Director of the Company and is not remunerated. The full Board meets at least eight times a period while day-to-day management is carried out by a management team reporting to the Chief Executive Officer. The Trustees are responsible for the approval of strategic and financial plans for the Company, appointment of the executive management and monitoring of performance and approval of senior management remuneration and governance.

The senior management team is responsible for the development and implementation of strategic, artistic and financial plans and all operational aspects of the Company.

The Finance, Audit and Risk Committee reviews assists the Board in discharging its oversight responsibilities by monitoring the company's financial position, assessing future financial plans and monitoring risks before submission to the Board.

The Nominations Committee manages the process of future appointments to ensure that the Board comprises the range of skills considered necessary for ENO. Potential Trustees matching the identified requirements are considered by the Nominations Committee for recommendation to and approval by the Board. On appointment Trustees are provided with background and financial information pertaining to the Company, undertake a tour of the operations and discuss key issues and strategies with senior management.

The Remuneration Committee determines and agrees with the Board the remuneration of the Chief Executive Officer, Artistic Director and other such members of the executive management as it is designated to consider. No director or manager is involved in any decisions as to his or her own remuneration.

During 2018 there was a change in audit firms. Deloitte held the audit mandate for 10 years and the board felt it was an appropriate time for a change. A competitive review was undertaken and Grant Thornton was chosen.

Trustees' report for the year ended 31 July 2018

Trustees' Responsibilities Statement

The trustees (who are also directors of English National Opera for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 (FRS 102);
- make judgments and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees 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 the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' report for the year ended 31 July 2018

Equal opportunities

The Company is committed to a policy of equal opportunity in all aspects of its employment practices.

ENO gives every consideration to persons with disabilities and will make reasonable workplace adjustments as necessary in order to accommodate disabled persons. If a disabled person applies for employment, full and equal consideration will be given to employing that person.

In addition, the Company has an access policy to accommodate as many disabled patrons as possible within with the current resources. This includes signed performances, surtitles, audio notes, disabled concessions and access to parts of the auditorium.

Employee involvement

The Company relies on the commitment and contribution of all staff, performers and artists. Management policies incorporate a consultation process through the line management structure.

The dissemination of information and two-way dialogue between staff and management is maintained through Company briefings by the Chief Executive Officer and Artistic Director, team briefings, newsletters and an Intranet system. During the period the company continued regular meetings of the Heads of Departments and an Employee Forum in order to provide regular updates on the Company's artistic and financial performance and to receive feedback from employees. An employee newsletter, ENO Voice, was produced every two months.

ENO recognises several unions for the purposes of collective bargaining and individual representation and continues to promote and develop good staff relations.

Health and safety

The Chief Executive Officer is responsible to the Board for health and safety matters. The Company's health and safety committee, comprising a Board representative, management and employees (including union representatives) representing all departments, meets regularly to ensure the implementation of the Company's policy of safe working practices and has presented to the Board during the period.

Taxation status

ENO is a registered charity and accordingly is entitled to exemption from United Kingdom taxation of its charitable activities under Chapter 3 of Part II of the Corporation Taxes Act 2010 to the extent they are used for its charitable purposes.

ENO Trading Limited and English National Opera Productions Limited do not have charitable status but donate any distributable profit to the parent Company through gift aid.

Related parties

Expenses reimbursed during the year totalled £54 to one trustee (2017: £nil).

Total payments to the Artistic Director for directing services under his employment contract and the Music Director for conducting services under freelance contracts are included in the total remuneration for banking purposes in note 10. All services provided are at the current commercial rate.

Auditor

A resolution to re-appoint Grant Thornton LLP will be proposed at the forthcoming Annual General Meeting.

The Trustees' report and these financial statements have been approved by order of the Board on

12th December 2018

and signed on its behalf by:



Dr Henry Brunjes (Chair of Trustees)

Date 5 February 2019

Independent Auditor's Report

to the members of English National Opera

Opinion

We have audited the financial statements of English National Opera (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement 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 group's and parent charitable company's affairs as at 31 July 2018 and of the group's 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 have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 group and parent charitable company 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.

Who we are reporting to

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

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 the parent 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.

Independent Auditor's Report

to the members of English National Opera

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Legal and administration information section, the Trustees' report (including the Strategic Report) and the Trustees' Responsibilities statement set out on pages 11 and 12 other than the financial statements and our auditor's report thereon. 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.

Opinion 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 Strategic Report, prepared for the purposes of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report included in the Trustees' Report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 11 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.

Independent Auditor's Report to the members of English National Opera

Responsibilities of trustees for the financial statements (continued)


In preparing the financial statements, the trustees are responsible for assessing the group and the parent 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 group or parent 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.

Carol Rudge 
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date 7/2/19

Consolidated Statement of Financial Activities (including Income and Expenditure account) for the year ended 31 July 2018

		For the year ended 31 July 2018					For the 16 months ended 31 July 2017				
	Note	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total Funds £'000	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total Funds £'000
Income and endowments from:											
	2	19,274	-	-	-	19,274	25,612	-	-	-	25,612
	3	12,380	-	1,233	-	13,613	16,507	-	3,007	-	19,514
	4	2,305	-	678	-	2,983	2,564	-	1,060	-	3,624
	5	19	-	-	206	225	48	-	-	263	311
		33,978	-	1,911	206	36,095	44,731	-	4,067	263	49,061
Expenditure on:											
	6	31,383	27	2,694	-	34,104	41,597	29	3,784	-	45,410
	7	1,090	-	-	-	1,090	1,184	-	-	-	1,184
		-	-	-	30	30	-	-	-	50	50
		32,473	27	2,694	30	35,224	42,781	29	3,784	50	46,644
	12	-	-	-	76	76	-	-	-	873	873
		1,505	(27)	(783)	252	947	1,950	(29)	283	1,086	3,290
	16	(1,983)	2,206	400	(623)	-	(1,134)	1,444	400	(710)	-
		(478)	2,179	(383)	(371)	947	816	1,415	683	376	3,290
Reconciliation of funds											
	16	2,702	1,619	4,185	14,270	22,776	1,886	204	3,502	13,894	19,486
	16	2,224	3,798	3,802	13,899	23,723	2,702	1,619	4,185	14,270	22,776

Net income is derived from continuing operations in the current and previous period. There are no other recognised gains or losses other than those reflected in the consolidated statement of financial activities.

During the period no income (2017: £nil) was earned by English National Opera Trading Limited, a non-charitable trading subsidiary. The Company was dormant during the period. Refer to note 20.

No income was earned during the period (2017: £nil) by ENO Productions Limited, a non-charitable trading subsidiary. Profit for the period (after Taxation and Theatre tax relief) was £nil (2017: £30,370). See note 20.

No separate income and expenditure account is presented for the parent company in accordance with the provisions of s.408 of the Companies Act 2006. The total income of the parent company is £36,207,000 (16 Months 2017: £49,029,000). The result reported in the accounts of the parent company is a surplus of £1,059,000 (2017: £3,290,000).

The Consolidated Statement of Financial Activities includes the Consolidated Income and Expenditure account, along with movements in endowment funds and unrealised gains and losses. For Companies Act purposes, consolidated gross income for the financial year was £35,889,000 (16 Months 2017: £48,789,000), consolidated gross expenditure was £35,194,000 (16 Months 2017: £46,594,000) and net income was £695,000 (16 Months 2017: £2,204,000).

The notes on pages 19 to 32 form an integral part of these financial statements.

Consolidated and Charity Balance Sheets as at 31 July 2018

		2018		2017	
	Note	Group £'000	Company £'000	Group £'000	Company £'000
Non-Current assets					
Tangible fixed assets	11	9,578	9,578	9,993	9,993
Investments	12	6,529	6,529	6,715	6,715
Long-term prepayments		361	361	361	361
Total Non-Current assets		16,468	16,468	17,069	17,069
Current assets					
Stocks		7	7	5	5
Trade and other receivables	13	6,480	6,480	4,663	4,663
Cash and cash equivalents		10,230	10,230	9,361	9,361
Total current assets		16,717	16,717	14,029	14,029
Creditors (amounts falling due within one year)	14	(9,462)	(9,462)	(8,322)	(8,322)
Net current assets		7,255	7,255	5,707	5,707
Total assets less current liabilities	15	23,723	23,723	22,776	22,776
The funds of the charity:					
Unrestricted funds					
General funds		2,224	2,224	2,702	2,702
Designated funds		3,798	3,798	1,619	1,619
Total unrestricted funds	16	6,022	6,022	4,321	4,321
Restricted Income funds	16	3,802	3,802	4,185	4,185
Endowment funds					
Endowment funds	16	13,044	13,044	13,400	13,400
Revaluation reserve	12	855	855	870	870
Total endowment funds		13,899	13,899	14,270	14,270
Total funds of the Charity		23,723	23,723	22,776	22,776

These financial statements of English National Opera charity registered number 257210 were approved by the Board of Trustees and authorised for issue on:

Date 12/12/18

They were signed on its behalf by:


Dr Henry Bruner (Chair of Trustees)

Date 5/2/19

The notes on pages 19 to 32 form an integral part of these financial statements.

Notes to the accounts for the year ended 31 July 2018

		2018			2017	
		Unrestricted funds	Restricted funds	Endowment funds	12 months Total funds	16 months Total funds
		£'000	£'000	£'000	£'000	£'000
2	Charitable activities					
	Box office receipts and transaction fees	6,775	-	-	6,775	8,749
	Theatre rental and third party presentations	3,757	-	-	3,757	4,455
	Bars and catering services	2,167	-	-	2,167	2,632
	Programme sales and advertising	165	-	-	165	206
	Production exploitation and sundry income	4,485	-	-	4,485	7,076
	Theatre Tax Relief	1,925	-	-	1,925	2,494
		19,274	-	-	19,274	25,612

		2018				2017
		Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	12 months Total funds £'000	16 months Total funds £'000
3	Grants					
	Arts Council England					
	Core funding	12,380	-	-	12,380	16,507
	Transition funding	-	1,233	-	1,233	2,997
	Capital funding	-	-	-	-	10
		12,380	1,233	-	13,613	19,514

		2018			2017	
4	Donations and legacies	Unrestricted	Restricted	Endowment	12 months	16 months
		funds	funds	funds	Total	Total
		£'000	£'000	£'000	£'000	£'000
	Donations, legacies, memberships and events	2,203	410	-	2,613	2,828
	Production sponsorship and support	102	268	-	370	796
		2,305	678	-	2,983	3,624

Fundraising activity takes place in a variety of locations but principally at the London Coliseum. Other locations include donors' and stakeholders' homes and offices as well as private venues.

		2018			2017	
		Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	12 months Total funds £'000	16 months Total funds £'000
5	Investments					
	Income earned from Investments (see note 12)	-	-	206	206	302
	Bank interest	19	-	-	19	9
		19	-	206	225	311

Consolidated Cash Flow Statement for the year ended 31 July 2018

		2018	2017
	Note	12 months £'000	16 months £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	753	3,257
Cash flows from investing activities			
Dividends, Interest and rents from Investments	5	206	302
Interest received	5	19	9
Purchase of property, plant and equipment	11	(341)	(141)
Proceeds from sale of Investments		1,191	4,216
Purchase of investments		(929)	(3,105)
Investment manager fees		(30)	(50)
Purchase of operating lease: deposit		-	(361)
Net cash provided by investing activities		116	870
Change in cash and cash equivalents in the reporting period		869	4,127
Cash and cash equivalents at 31 July 2017		9,361	5,234
Cash and cash Equivalents at 31 July 2018	B	10,230	9,361
A Reconciliation of net income to net cash inflow from operating activities			
Net Income		947	3,290
Adjustment for:			
Net (gains)/losses on Investments		(76)	(873)
Depreciation - fixed assets		725	933
Loss on disposal of fixed assets		31	0
Interest received		(19)	(9)
Investment Income receivable		(206)	(302)
Investment fees payable		30	50
Increase in stock		(2)	0
(Increase)/decrease in debtors		(1,817)	1,776
Increase/(decrease) in creditors		1,140	(1,608)
Net cash provided by operating activities		753	3,257
B Analysis of Cash and Cash Equivalents			
Cash at bank and In hand		10,230	9,361
		10,230	9,361

Notes to the accounts for the year ended 31 July 2018

1 Accounting policies

A summary of the principal group accounting policies, all of which have been applied consistently throughout the period and the preceding year, is set out below.

Basis of accounting

These financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The Trustees consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015) and applicable accounting standards in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2015, and the Companies Act 2006.

ENO meets the definition of a public benefit entity under FRS 102.

Basis of consolidation

The group financial statements consolidate those of ENO and of its subsidiaries, ENO Trading Limited and ENO Productions Limited. The results of the subsidiaries are consolidated on a line by line basis. The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

Income

Income is recognised in the year in which the company becomes entitled, receipt is probable and the amount can be measured with reasonable accuracy. Income is deferred when the company has to meet conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

All grants and contractual payments are included on a receivable basis. Legacies are included when the company is entitled to a legacy, receipt is considered probable and the amount can be estimated with reasonable accuracy. Income is not recognised for legacies which remain subject to a life interest.

Donated Goods

Where the charity receives donated goods and services in kind and where there is a measurable value to the charity, which can be ascertained with reliability, they are included as both income and expenditure in the Statement of Financial Activities.

Expenditure

These are treated on an accruals basis.

Charitable activities expenditure enables the ENO to meet its charitable aims and objectives.

Costs of raising funds include the costs incurred in raising donations and legacies. These costs are regarded as necessary to raise funds that are needed to finance charitable activities.

Direct production costs for future productions, including artists' rehearsal fees and the manufacture and/or building of physical elements, are included in current assets at the lower of cost and fair value and expensed equally to each performance during the initial run.

Governance costs are associated with the governance arrangements of the charity and relate to audit fees and the charity's trustee liability insurance, and are allocated along with other support costs.

Allocation of support costs

Costs of centrally provided services in support of charitable activities are allocated directly to functional areas and include the relevant proportion of premises costs which comprise of rent, rates and utility costs. The basis of allocation involves the use of relative headcounts of staff numbers and the proportion of site usage by expenditure category.

Tangible fixed assets

Tangible fixed assets are stated at historic cost less accumulated depreciation and any impairment. Costs of adding to and improving the building and plant are capitalised and depreciated over the useful economic life of the asset. Depreciation has been provided on the cost of such assets, excluding freehold land, at the following rates:

Freehold buildings:	2% straight-line
Improvements to freehold buildings:	2% - 10% straight-line
Leasehold property:	over remaining life of the lease
Machinery and equipment:	7% to 33% straight-line

Stocks

These consist of items held for resale and are valued at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value.

Notes to the accounts

for the year ended 31 July 2018

1 Accounting policies (continued)

Pension costs

The company contributes to a number of personal and auto-enrollment pension schemes for its employees. Contributions are charged to the Statement of Financial Activities as they become payable.

Leases

All leases are operating leases and the annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Investment assets and related income

Investment assets listed on a recognised stock exchange, including investment and unit trusts, are stated at bid-market value. Net investment gains for the year, both realised and unrealised, are disclosed in the Statement of Financial Activities.

Funds

The company's funds consist of unrestricted and restricted amounts. The company may use unrestricted amounts at its discretion. Restricted funds represent income which is restricted to particular purposes, in accordance with the donor's wishes.

Expendable endowments in respect of freehold properties are expended in line with the depreciation of those properties. All other expendable endowments are to be expended within a reasonable time of receipt and the funds are treated as restricted or unrestricted depending upon whether the original donation stipulates expenditure for specific purposes, or otherwise. Once expended these funds are transferred to either restricted or unrestricted funds.

Taxation

As a charity, English National Opera is exempt from tax on income and gains falling within Chapter 3 of Part II of The Corporation Tax Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

Theatre Tax Relief

Amounts due to ENO in respect of the Theatre Tax Relief, is included in the financial year to which the claim relates. These amounts are included within income from Charitable Activities rather than as a tax credit or a reduction in expenditure as the nature and intention of Theatre Tax Relief is akin to government grant income.

Judgements and Assumptions in the application of Accounting Policies

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 affects both current and future periods.

The sources of any significant estimation uncertainty are considered to relate to:

Income Recognition of Legacies: Residuary legacy income included in the accounts not received at year end is only included as income when the amount can be estimated with reasonable accuracy. Where this is the case the amount is based on the estimates received by the charity from the executors of the estate.

The value of the Theatre Tax Credit: The Trustees consider that the amount included in the accounts has been calculated on an appropriate basis in line with HMRC guidance. The final claim will be submitted and agreed with HMRC after the date of the report and any adjustments required will be made in the next accounting period.

Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The charity and group only have 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.

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

Notes to the accounts for the year ended 31 July 2018

		2018				2017	
6	Costs of charitable activities	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	12 months Total funds	16 months Total funds
		£'000	£'000	£'000	£'000	£'000	£'000
	Production and performance	28,800	27	2,592	-	31,419	42,209
	Education, outreach and information	835	-	102	-	937	789
	Catering and other sales	1,748	-	-	-	1,748	2,412
		31,383	27	2,694	-	34,104	45,410

		2018				2017	
7	Costs of raising funds	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	12 months Total funds	16 months Total funds
		£'000	£'000	£'000	£'000	£'000	£'000
	Event costs	389	-	-	-	389	343
	Staff and overhead costs	628	-	-	-	628	761
	Support and property costs	73	-	-	-	73	80
		1,090	-	-	-	1,090	1,184

		2018	2017
		12 months Total funds £'000	16 months Total funds £'000
8	Net expenditure is stated after charging:		
	Fees payable to the Charity's Auditor:		
	Audit of financial statements	48	50
	Accountancy and other services	-	5
	Depreciation of tangible fixed assets	725	933
	Hire of plant and machinery	27	76
	Operating lease payments:		
	Plant and machinery	28	26
	Rentals	518	431

9 Allocation of support costs

Support costs are pro-rated between the key operational areas: Production and performance, Raising funds and Education, outreach and information.

The basis of apportionment is total headcount applicable in the relevant activities. Directly attributable costs are allocated to governance costs where appropriate.

Notes to the accounts for the year ended 31 July 2018

	Total 2018			Total 2017	
	Management & administration	Premises costs	Governance costs	12 months Total £'000	16 months Total £'000
9 Allocation of support costs (continued)					
Charitable activities					
Production and performance	1,536	100	54	1,690	2,044
Education, outreach and Information	50	3	2	55	26
Costs of raising funds	67	4	2	73	80
For the 12 months ended 31 July 2018	1,653	107	58	1,818	2,150
For the 16 months ended 31 July 2017	2,048	38	64	2,150	

10 Particulars of staff

The following note provides a comparison between the year ended 31 July 2018 with the 16 month period to 31 July 2017.

	2018	2017
	12 months £'000	16 months £'000
The aggregate employment costs were:		
Wages and salaries	13,980	19,604
Social security costs	1,492	2,075
Pension costs (see note (iii))	322	442
Staff costs (see note (i) and (ii))	15,794	22,121

	2018	2017
	12 months No.	16 months No.
Average number of persons employed by category		
Opera company - performing & production	245	254
Theatre operation	43	48
Finance, administration and marketing	40	42
	328	344

(i) Staff costs and staff numbers include all permanent, fixed term and temporary employees of the company. Full-time equivalent staff numbers are based on a minimum 35 hour week.

(ii) In addition ENO relies on the support of our ENO Friends Volunteers who play a vital role in our fundraising operations, the value of which is not reflected in these accounts.

(iii) Pension costs include contributions of £6,902 (2017: £41,816) paid in to defined contribution pension schemes for staff whose emoluments (excluding pensions) exceeded £60,000 during the year.

	2018	2017
	12 months No.	16 months No.
The number of Group employees whose emoluments, excluding pension contributions and employers' national insurance, but including benefits in kind were in excess of £60,000 was:		
£60,000 - £69,999	5	48
£70,000 - £79,999	3	8
£80,000 - £89,999	1	3
£90,000 - £99,999	-	2
£100,000 - £109,999	1	5
£110,000 - £119,999	2	1
£120,000 - £129,999	-	1
£130,000 - £139,999	1	2
£140,000 - £149,999	-	1
£150,000 - £159,999	1	-

Notes to the accounts for the year ended 31 July 2018

10 Particulars of staff (continued)

In addition to an employee salary payment the Music Director is paid for conducting services under freelance contracts on similar terms to other conductors engaged. These payments have been included in the employee banding but excluded from key management personnel remuneration.

All ENO employees are employed by the Company. The key management personnel of the Group comprise the Executive Officers and Senior Management Team. The team was expanded during the year from existing positions in order to increase the number and diversity of the Senior Management Team. The total remuneration (including pension contributions and employer's national insurance) of the key management personnel for the year totalled £1,171,462 to 15 employees (2017 - 11 employees over 16 months: £1,248,466; including ER NIC as disclosed in the prior year £1,400,519).

During the year the Group made payments or made provision for payments upon termination of employment including amounts in lieu of notice totalling £243,235 to 7 employees (2017 over 16 months: £537,522 to 32 employees).

11 Tangible fixed assets

	Freehold Land & Buildings £'000	Leasehold Land & Buildings £'000	Machinery & Equipment £'000	Total £'000
Group and Company				
Cost				
At 1 April 2017	15,541	413	4,923	20,877
Additions	-	-	341	341
Disposals	(21)	(46)	(986)	(1,053)
At 31 July 2018	15,520	367	4,278	20,165
Depreciation:				
At 1 April 2017	7,109	311	3,464	10,884
Charge for the year	335	30	360	725
Disposals	(21)	(23)	(978)	(1,022)
At 31 July 2018	7,423	318	2,846	10,587
Net book value:				
At 31 July 2018	8,097	49	1,432	9,578
At 31 March 2017	8,432	102	1,459	9,993

Freehold Land and Buildings includes land at a cost of £2,145,500 (2017: £2,145,500) which is not depreciated.

12 Investments

	2018	2017
	Listed Investments Total £'000	Listed Investments Total £'000
A Reconciliation of opening and closing market value		
Group and Company:		
Market value of securities as at 1 August 2017	6,715	6,610
Net disposals/Purchases	(262)	(768)
Net investment gains	76	873
Market value as at 31 July 2018	6,529	6,715
Historic cost of investments at 31 July	5,674	5,794

Notes to the accounts for the year ended 31 July 2018

	2018	2017
	Market value Total £'000	Market value Total £'000
12 Investments (continued)		
B Investment Portfolio		
Investments listed on recognised stock exchanges		
Equities	2,910	2,821
Index Linked	457	487
Fixed Interest	1,113	1,083
Alternative and Other	1,753	2,064
Cash	296	260
Total Investment with Investment Managers	6,529	6,715

C Other Investments

(i) The company owns 100% of the ordinary share capital of its subsidiary, English National Opera Trading Limited, which is registered in England and Wales and whose principal activity is commercial promotions in support of ENO.

The subsidiary was dormant in the year and no amount was paid to the parent company (refer to note 20). All of the directors of English National Opera Trading Limited are executives and senior managers of the ENO.

	Ordinary shares £
Investment in subsidiary:	
Cost:	
At 31 July 2018 and 31 July 2017	2

There are no loans outstanding at 31 July 2018 (2017: £nil).

(ii) The company owns 100% of the ordinary share capital of its subsidiary, English National Opera Productions Limited. Its principal activity is commercial promotions in support of ENO.

All of the directors of English National Opera Productions Limited are executives and senior managers of the ENO.

	Ordinary shares £
Investment in subsidiary:	
Cost:	
At 31 July 2018 and 31 July 2017	1

There are no loans outstanding at 31 July 2018 (2017: £nil).

Notes to the accounts for the year ended 31 July 2018

13 Debtors	2018		2017	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts falling due within one year:				
Trade debtors	1,148	1,148	1,088	1,088
Other debtors	469	469	357	357
Theatre Tax Relief receivable	3,871	3,871	1,947	1,947
Prepayments and accrued income	992	992	1,271	1,271
	6,480	6,480	4,663	4,663
Costs of future productions included within Prepayments:				
Opening within 1 year	360	360	743	743
Opening after more than 1 year	55	55	55	55
	415	415	798	798

14 Creditors: amounts falling due within one year	2018		2017	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	549	549	693	661
Other creditors	3,743	3,743	3,040	3,040
Taxation and social security	965	965	362	362
Accruals and deferred income	4,205	4,173	4,227	4,117
Amounts due to subsidiary undertaking	-	32	-	142
	9,462	9,462	8,322	8,322

Within accruals and deferred income is included the following amount of deferred income relating to box office receipts and other income received in advance:

Brought forward	1,238	1,238	969	969
Released in the year	(1,238)	(1,238)	(969)	(969)
Received in the year	1,558	1,558	1,238	1,238
Carried forward	1,558	1,558	1,238	1,238

Notes to the accounts for the year ended 31 July 2018

15 Analysis of net assets between funds	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Consolidated fund balances:				
Fixed assets	1,053	1,619	13,796	16,468
Current assets	14,431	2,183	103	16,717
Current liabilities	(9,462)	-	-	(9,462)
Total net assets as at 31 July 2018	6,022	3,802	13,899	23,723
Fixed assets	1,251	1,619	14,199	17,069
Current assets	11,392	2,566	71	14,029
Current liabilities	(8,322)	-	-	(8,322)
Total net assets as at 31 March 2017	4,321	4,185	14,270	22,776

Following reclassification of the Audrey Gunn legacy during the prior period, endowment funds are wholly represented by expendable endowments (see note 16).

Notes to the accounts for the year ended 31 July 2018

16 Movement on funds—Group and Company

16	Movement on funds – Group and Company	For the 12 months ended 31 July 2018					For the 16 months ended 31 March 2017						
		2017 At 1 April	Income	Expenditure	Transfer between funds	Revaluation gains	2018 At 31 July	2016 At 1 April	Income	Expenditure	Transfer between funds	Revaluation gains	2017 At 31 March
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
(a)	Summary												
	Unrestricted funds												
	General funds	2,702	33,978	(32,473)	(1,983)	-	2,224	1,886	44,731	(42,781)	(1,134)	-	2,702
	Designated funds:												
	Maintenance funds	665	-	-	1,066	-	1,731	-	-	-	665	-	665
	Capital reserve funds	815	-	-	130	-	945	-	-	-	815	-	815
	Strategic Investment	63	-	-	626	-	689	92	-	(29)	-	-	63
	Funds received in advance	-	-	-	384	-	384	-	-	-	-	-	-
	Capital funds	76	-	(27)	-	-	49	112	-	-	(36)	-	76
	Total Unrestricted funds	4,321	33,978	(32,500)	223	-	6,022	2,090	44,731	(42,810)	310	-	4,321
	Restricted income funds (see note 16(b))												
	London Coliseum Redevelopment	119	-	(15)	-	-	104	139	-	(20)	-	-	119
	London Coliseum Restoration	211	-	-	-	-	211	392	-	(181)	-	-	211
	Production & project support	345	678	(774)	-	-	249	233	1,060	(948)	-	-	345
	ACE Transition fund	2,000	1,233	(1,233)	-	-	2,000	865	2,997	(1,862)	-	-	2,000
	ACE Managed fund	10	-	-	-	-	10	-	10	-	-	-	10
	ACE Capital fund	1,500	-	(272)	-	-	1,228	1,873	-	(373)	-	-	1,500
	ENO Create/ACE Catalyst (see note 16(c))	-	-	(400)	400	-	-	-	-	(400)	400	-	-
	Total Restricted funds	4,185	1,911	(2,694)	400	-	3,802	3,502	4,067	(3,784)	400	-	4,185
	Endowment funds (see note 16(c))												
	Expendable:												
	London Coliseum freehold	7,274	-	-	(220)	-	7,054	7,567	-	-	(293)	-	7,274
	Lillian Baylis House freehold	210	-	-	(3)	-	207	215	-	-	(5)	-	210
	ENO Create/ACE Catalyst	5,878	206	(30)	(400)	91	5,745	5,688	261	(50)	(412)	391	5,878
	Audrey Gunn legacy	38	-	-	-	-	38	33	2	-	-	3	38
	Revaluation Reserve	870	-	-	-	(15)	855	391	-	-	-	479	870
	Total Endowment funds	14,270	206	(30)	(623)	76	13,899	13,894	263	(50)	(710)	873	14,270
	Total funds	22,776	36,095	(35,224)	-	76	23,723	19,486	49,061	(46,644)	-	873	22,776

Notes to the accounts for the year ended 31 July 2018

16 Movement in funds (continued)

(a) Summary (continued)

The transfer from the London Coliseum and Lillian Baylis House freehold expendable endowment funds represents the amount of depreciation charged in respect of the freehold properties. The transfers from the unrestricted general fund to the Maintenance and Capital Reserve funds respectively represent funds designated for investment in property development and investment in fixed assets. The transfer from the ENO Create/ACE Catalyst endowment fund to the restricted fund represents investment of £400,000 (2017: £400,000) in ENO productions during the period. An additional transfer between the same funds in the prior year of £12,000 represents an adjustment to the opening fund value of the ENO Create/ACE Catalyst endowment fund.

(b) Designated funds

Maintenance Funds

Maintenance funds are designated for specific future projects to maintain and enhance the fabric of the London Coliseum based on a long term maintenance plan for the building.

Capital Reserve Funds

The Capital Reserve represents the net book value of fixed assets funded from ENO's unrestricted funds.

Strategic Investment

The Strategic Investment fund represents funds allocated to strategic projects to be carried out in future years. These projects may be artistic, operational or capital in nature but are anticipated to enhance the public benefit or efficiency of the Company.

Funds received in Advance

This fund represents funds received in 2017/18 that will be applied against the budgeted activity of the company in the year to 31 July 2019.

Capital Funds

The Capital Fund represents specific capital projects funded from reserves.

(c) Restricted income funds

London Coliseum Redevelopment

An amount of £104,000 is carried forward on this fund, representing the book value of properties acquired.

London Coliseum Restoration

The balance is to be utilised in respect of the restoration of the London Coliseum.

Production & Project Support

Funding is received from time to time by way of specific donations and grants in respect of a variety of artistic and infrastructural projects in furtherance of the company's charitable aims including education and outreach work. These funds are treated as restricted income on receipt. Income is derived from various individuals, educational trusts and foundations.

ACE Transition Fund

This reserve represents ACE transition funding to enable the company to restructure if required due to the reduction in ACE funding.

ACE Capital Fund

ENO has received support from ACE in respect of capital investment. The fund represents the proportion of the net book value of assets purchased funded by the grant and is amortised in line with the depreciation policies in respect of these assets.

Create/Catalyst

The expenditure in relation to the Create fund is restricted under the terms of the donations and grants made to the Create fund.

(d) Endowment funds (expendable)

London Coliseum & Lillian Baylis House freehold

An amount of £7,261,000 is carried forward on these funds, representing the book value of freehold properties acquired.

Create/Catalyst

The ENO Create endowment fund is to be utilised over a maximum of twenty-five years to provide investment in ENO activities designed to generate long-term revenue streams for ENO. It is part of the ACE Catalyst endowment scheme.

Revaluation Reserve

This reserve represents the unrealised gains in respect of investments held on behalf of the endowment funds.

Audrey Gunn legacy

The parent company has a commitment to the Estate of Audrey Gunn to fund an annual scholarship for a young singer of potential.

Notes to the accounts for the year ended 31 July 2018

17 Financial commitments

A Group and Company

The company occupies certain land and buildings under full-repairing short term leases at rents which are subject to periodic review. The company also leases various equipment.

The total future minimum rentals under non-cancellable operating leases are as follows:

	2018		2017	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Operating leases which expire:				
not later than one year	403	23	325	23
later than one year and not later than five years	1,206	55	1,222	68
later than five years	819	-	1,145	8
	2,428	78	2,692	99

B Contingent liabilities

- (a) ACE has the right to the repayment of the "Housing the Arts" grant of £380,000 in respect of Lillian Baylis House in certain circumstances, including those in which the premises cease being used by the company for rehearsal studios and other accommodation. The Trustees are of the opinion that these circumstances are unlikely to occur.
- (b) (i) Under the conditions attached to the grant towards the purchase cost of the London Coliseum, ACE has the option, in certain circumstances, to purchase the freehold of the London Coliseum for nominal consideration. The trustees are of the opinion that these circumstances are unlikely to occur.
- (ii) The National Heritage Memorial Fund has a legal charge over the freehold of the London Coliseum to secure monies and obligations pursuant to the award of restoration funding. The trustees are of the opinion that the obligations are unlikely to be breached in the ordinary course of events.
- (c) ACE has a fixed and floating charge over property and assets of the company other than the London Coliseum which imposes certain other restrictions in regard to the use or disposal. The trustees are of the opinion that these restrictions are unlikely to be breached under ordinary circumstances.

18 Pensions

The company has made contributions on behalf of employees to defined contribution schemes. Pension contributions made by the company during the year amounted to £321,000 (2017: £442,000). At 31 July 2018 the balance of unpaid contributions totalled £50,178 (2017: £31,581).

19 Liability of members

The company is limited by guarantee, all members having a liability not exceeding £10 per member. At 31 July 2018 there were twelve members (2017: twelve members).

Notes to the accounts for the year ended 31 July 2018

20 Subsidiary companies

(a) English National Opera Trading Limited

The wholly-owned trading subsidiary, English National Opera Trading Limited (Company Number 2379051), which is incorporated and registered in England and Wales, pays all its profits by gift aid to the parent company who owns the entire issued share capital. The Company's principal activity is commercial promotion. The Company generated no turnover and incurred no expenditure during the period (2017: £nil). The Company is actively seeking sponsorship contracts and does not anticipate any further costs while dormant. For the period ended 31 July 2017, the Company has filed individual dormant accounts with Companies House.

	2018 as at 31 July	2017 as at 31 July
	£	£
The assets and liabilities of the subsidiary as at 31 July 2018 were:		
Current assets	2	2
Total net assets	2	2
	£	£
Aggregate share capital and reserves	2	2

(b) English National Opera Productions Limited

The wholly-owned trading subsidiary, English National Opera Productions Limited (Company Number 09184219) is incorporated and registered in England and Wales. The Company's principal activity is the creation of theatrical productions.

	2018 as at 31 July	2017 as at 31 July
	£	£
The assets and liabilities of the subsidiary as at 31 July 2018 were:		
Current assets	30,371	142,122
Current liabilities	(30,370)	(30,370)
Total net assets	1	111,752
	£	£
Aggregate share capital and reserves	1	111,752

Notes to the accounts for the year ended 31 July 2018

20 Subsidiary companies (continued)

	2018 12 months	2017 16 months
	£	£
(b) English National Opera Productions Limited (continued)		
Profit & Loss account for the year ended 31 July 2018		
Income	-	-
Cost of sales	-	(30,370)
Gross profit	-	(30,370)
Administrative expenses	(111,751)	(3,000)
Loss before tax	(111,751)	(33,370)
Taxation	-	-
Theatre tax relief	-	63,740
(Loss)/Profit for the year/period	(111,751)	30,370

21 Related party transactions

Trustees received nil remuneration in the year (2017: nil). One trustee of the company was reimbursed expenses totalling £55 (2017: £nil).

Appropriate insurance has been arranged by the Company to indemnify Trustees and employees for their legal liability for damages and legal expenses arising from the performance of their duties.

During the period the trustees of the company donated £155,716 (2017: £283,953) to ENO. Included in this total is an amount of £58,941 (2017: £81,644) which was donated by a trustee to American Friends of English National Opera (see Connected Charities). American Friends of English National Opera subsequently donated this amount to ENO during the period.

Total payments to the Artistic Director for directing services under the employment contract and to Music Director under freelance contracts are included within the bands for higher paid employees disclosed in note 10(c). All services are provided at the current commercial rate on terms similar to other directors and conductors engaged by ENO during the year.

ENO Productions Limited made a donation in the year to ENO of £142,122 (2017 - £nil). At 31 July 2018 ENO owed ENO Productions Limited £30,371 (£2017 £142,122).