

**OPERA HOLLAND PARK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2016**

Registered Charity Number: 1096273
Registered Company Number: 04515375

OPERA HOLLAND PARK

YEAR ENDED 30 SEPTEMBER 2016

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

Fiona C Campbell
Martin C Kramer
Anupam Ganguli
Jessica Hepburn
Dr. Martin Lockett
Charles D Mackay
Sir Trevor McDonald

Company Registered Number

04515375

Charity Registered Number

1096273

Registered Office

37 Pembroke Road, London, England, W8 6PW

Company Secretary

Fiona C Campbell

Independent Auditors

haysmacintyre, 26 Red Lion Square, London. WC1R 4AG

Bankers

Lloyds Bank PLC, 1st Floor, 39 Threadneedle Street, London. EC2R 8AU

Solicitors

Harbottle & Lewis LLP, 14 Hanover Square, London W1S 1HP

OPERA HOLLAND PARK

REPORT OF THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2016

The Trustees (who are also directors of the Charity for the purposes of the Companies Act) are pleased to present their annual report together with the audited financial statements of the Charity for the year ended 30 September 2016. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "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)".

The Directors of the Charity are its Trustees for the purpose of charity law, as set out on page 1, and throughout the financial statements are collectively referred to as the Trustees.

As noted in the previous audited accounts, effective from 1 October 2015, the activities of Opera Holland Park of the Royal Borough of Kensington and Chelsea were merged with Opera Holland Park Friends. Under the leadership of the new Trustees, activities of the Friends were brought under one management. At this date, The Royal Borough of Kensington and Chelsea (RBKC) transferred the related assets of Opera Holland Park to the Charity.

The Charity received a grant of £4,099,750 in the year ended 30 September 2016 (2015: £Nil). This was made up as follows:

1st & 2 nd instalment of RBKC	£3,849,750
Transfer of assets	£250,000

The Council's agreed full and final settlement is designed to enable the Charity to draw down on the grant whilst it develops its business plan and becomes self-sufficient. The 3rd and final instalment of the grant is due by 31st March 2017.

On 9 September 2016 the Charity changed its name to Opera Holland Park. It was previously known as Opera Holland Park Friends.

The opera company's day-to-day operations of the activities, including the delivery of its artistic programme and all marketing, sponsorship, ticket sales and venue management will be led by the experienced management team.

Whilst the Trustees expect to continue to receive considerable support from the Charity's existing volunteer resources, the merger will also allow the Charity to focus additional professional resources on its day-to-day operations.

Structure, governance and management

Constitution

Opera Holland Park was established as a company limited by guarantee (company number 04515375) on 20 August 2002. The Company was registered as a charity (number 1096273) on 27 February 2003. The Charity's name was changed from Opera Holland Park Friends to Opera Holland Park on 9 September 2016.

The Company is governed by its Memorandum and Articles of Association. The liability of the members (who are the directors) is limited to £1 each in the event of winding up.)

The Charity is required to have at least three Trustees and no more than twelve the maximum number determined by the Articles of Association. The Articles of the Charity determine the quorum for meetings of Trustees, which shall never be less than the greater of one-third of the Trustees or three Trustees. Decisions are made by majority vote. A meeting of Trustees at which a quorum is present can exercise all of the powers which the Trustees have, including establishing sub-committees under these powers.

Under the guidance of the Trustees, during the year the day-to-day management of the Charity's operations has been carried out by a management team.

OPERA HOLLAND PARK

REPORT OF THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2016

Method of appointment or election of Trustees

The Trustees are appointed by the Annual General Meeting. The Trustees may co-opt any person as a Trustee provided the maximum specified by the Annual General Meeting is not exceeded. Any Trustee so co-opted shall retain office only until the next Annual General Meeting, but shall be eligible for re-election. The composition of the Trustees of the Charity and any training requirements for Trustees are reviewed on an annual basis, to ensure that the Trustees, as a body, are able to manage the Charity's affairs effectively.

Policies adopted for the induction and training of Trustees

New appointees are briefed and given the necessary and appropriate information to take on their new role.

Organisational structure and decision making

All key decisions affecting the strategic direction and the policy of the opera company are made at the board meetings.

Risk management

During the year, the Trustees have undertaken ongoing risk assessments. The assessments helped to assess the major risks to which the Charity might be exposed. The Charity has compiled a Risk Register, including a comprehensive Operations Recovery Plan.

The Trustees carry out a review of the Charity's activities annually and agree the year's programme of activities and financial budget. They monitor progress against the agreed plan at each Trustee meeting, and review the outcomes of the season.

Each year the trustees review the level of risk associated with each area of income and expenditure, particularly in the following areas:

- Ticket income & visitor experience
- Fundraising
- Artistic performance and quality thereof
- Control failures related to the company's resources
- Risks associated with other external factors

They are satisfied that adequate steps have been taken to mitigate these risks but will continue to review the control environment in line with the rising standards required by the Charity Commission. The trustees have implemented procedures designed to identify, mitigate and minimise potential impacts of such risks on the charity.

The Trustees undertake an annual review of the risks which the charity might face and these are monitored throughout the year.

Objectives and activities

The objectives of the charity

The objectives for which the Company was established, as dictated by the Memorandum and articles of Association, are to promote, improve and advance the education and appreciation of the general public in the Arts and in particular opera. The Charity achieves these objectives by providing high quality, affordable opera in central London.

Public benefit

The Trustees have paid due regard to the Charity Commission's guidance on public benefit when reviewing their aims and objectives and planning future activities.

Our Inspire education programme aims to all members of the community to experience, discover and actively participate in opera and classical music, developing their taste and knowledge and bringing the art form to as wide an audience as possible.

OPERA HOLLAND PARK

REPORT OF THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2016

Since it was founded in 2008, the Inspire team have paired with numerous charities and worked extensively with schools, hospitals, care homes, and community centres.

The Inspire Project continues to be the vehicle for delivering our accessibility aims for the community, as well as for developing our audiences. It reaches over 5,000 people per year. The programme also provides 1,000 free tickets for young people between the ages of 7 and 18 years and over two thousand at just £18 each.

Provision of workshops in local schools to advance the education and appreciation by local children of the arts, and in particular opera

Our aim is to bring opera to people who would not normally have the opportunity to attend due to social, physical or financial limitations.

We have an ongoing education programme for young singers as well as a schools workshop programme.

Each year we give away a set number of free seats for young people aged 7-18 and for the over 60s. We also offer reduced price tickets as well as opportunities to attend dress rehearsals free of charge.

We also offer work experience and employment for students and young people front of house and backstage. We provide live performances of high quality, fully staged operas in an area that is poorly served for arts provision, making it possible for elderly people to access such performances when they might otherwise be unable to do so.

Provision of a Friends scheme, open to all, to provide support to Opera Holland Park, allowing the opera company to spread its geographic footprint outside the immediate local area in which it operates.

The Trustees confirm that in accordance with section 17 of the Charities Act 2011, they have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning their future activities.

Benefits available to Friends themselves are incidental and kept within the limits set out within the Gift Aid guidance provided by HM Revenue & Customs.

Achievements and performance

Opera Holland Park had another successful year, its thirteenth following incorporation.

The 2016 season has generally been acclaimed as one of the strongest and most consistent seasons in the company's history. With every production receiving many 4 star reviews across the board. That this was the reaction to the opening season as the new company is even more pleasing.

We have continued to nurture talent both on and off-stage. The sheer number of Young Artists alumni now working in principal roles at Opera Holland Park and other opera companies in the UK is a testament to the scheme and the professional development we have given them.

Across every aspect of the company - on stage and backstage - we have continued to mix experience with youth, established artists with young artists: creating a powerful blend of talent.

La Cenerentola was our first co-production - with Den Jyske Opera in Denmark. For the production of Cenerentola, we used a team that had delivered "classic with a twist" production of The Barber of Seville in 2014, this extremely well sung, visually striking and imaginative show delighted audiences in London and Denmark.

In its 4th year, Alice's Adventures in Wonderland continued to sell out, be an excellent introduction/gateway to opera for children and families and continued to be well reviewed in national press.

OPERA HOLLAND PARK

REPORT OF THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2016

OHP enjoyed a very good year at the box office, with 98% occupancy and 92% paid occupancy. The Young Artists performance of *La bohème* has a 100% occupancy rate. All the shows received at least 4* reviews from the critics and acclaim from attendees.

The separation from the Council coupled with natural turnover of long-standing staff members meant that the first part of the year was spent forming a new Communications & Development team responsible for all Marketing, Press and Fundraising for the company.

We were delighted that our title sponsor, Investec Wealth & Investment, announced the renewal of their support for a further three years in June. By the end of their contract, (which covers 2017/18/19 seasons) Investec Wealth & Investment will have been our sponsors for nine years. They have been wonderful supporters of the company over that time and we are proud to have them with us for the next 3 years.

At the end of 2015/16 financial year, 15 Founders had confirmed their support giving £410,500 to the fund in 15/16. We are hugely grateful that so many have already come on board.

Inspire and community work

The Inspire Project continues to be the vehicle for delivering our accessibility aims for the community, as well as for developing our audiences. It reaches over 5,000 people per year. As well as the family production *Alice's Adventures in Wonderland* (which falls under the Project's auspices) we continue to provide 1,000 free tickets for young people between the ages of 7 and 18 years, 400 for 60+ and over 2,000 Inspire seats at just £18.

As well as our ticketing schemes, Inspire also:

- Gave 109 Inspire sessions – concerts, workshops, recitals
- Worked with more than 30 organisations
- Visited 8 different schools
- Provided workshops for 300 children
- Visited 19 different care homes
- Reached over 1,800 people with our outreach/education programmes
- Reached over 200 people with Sheltered Housing recitals

The variety of work is astounding, covering speciality work with visually impaired, our Playlist for Life Project with dementia patients and many other groups.

Going Concern

The Trustees are not aware of any material uncertainties related to events or conditions that may cast significant doubt about the ability of the Charity to continue as a going concern, and have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Reserves Policy

The Board recognises the need to establish a level of general reserves that enables financial stability. In particular reserves are needed to meet working capital requirements, to cover short term fluctuations in income and expenditure, to enable OHP Trust to respond to unexpected needs or new opportunities, and to finance major projects. These reserves are built up from operating surpluses in previous years.

The Board's policy is to hold free reserves equivalent to a level of 12 weeks of the next year's anticipated expenditure, based on an analysis of the Charity's key ongoing needs.

The Charity received a grant of £4,099,750 in the year ended 30 September 2016 (2015: £Nil). This was made up as follows:

Ist instalment of RBKC	£3,849,750
Transfer of assets	£250,000

OPERA HOLLAND PARK

REPORT OF THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2016

The Council's agreed full and final settlement is designed to enable the Charity to draw down on the grant whilst it develops its business plan and becomes self-sufficient.

At 30 September 2016 the Charity held unrestricted funds of £3,738,679. This includes the grant and assets received from RBKC during the year.

As per the Business Plan, the average total yearly expenditure is equal to £3.9m. As at 30th September 2018 free reserves should be £890,000 representing about 12 week's expenditure, which is covered by the unrestricted funds.

In addition to unrestricted funds at 30 September 2016 the Charity held an expendable endowment fund of £84,831 and restricted funds of £1,140, further details of which are provided in the notes to the accounts.

Financial review

The review is for the year ended 30 September 2016. The Charity's activity resulted in income for the year of £ 7,574,946 (2015: £483,136).

The Charity received a grant of £4,099,750 in the year ended 30 September 2016 (2015: £Nil). This was made up as follows:

1st instalment of RBKC	£3,849,750
Transfer of assets	£250,000

It should also be noted that the transfer of assets received as "donation in kind" included the canopy and the seating stand valued at £250,000. These have been depreciated accordingly.

The table below breaks down the Charity's income and expenditure for the 2016 season is broken down as follows:

	£
Box Office	1 681 308
Fundraising (includes Founders income of £410,505)	567 417
Friends Schemes	230 004
Corporate Sponsorship and commercial activities	439 954
Investments	23 891
Gift Aid & Theatre Tax Credit	541 806
TOTAL INCOME	3 484 380
Opera Production	2 029 844
Inspire	29 956
Staff including contracted/Agency	785 674
Marketing	90 048
Fundraising	143 073
Theatre/Operations	543 030
Other Overheads inc VAT	469 772
Depreciation	49 798
TOTAL EXPENDITURE	4 141 195
MOVEMENT IN FUNDS	- 656 816
Donation of Assets from RBKC	250 000
NET MOVEMENT IN FUNDS	- 406 816
Release from one off RBKC grant	406 816
NET MOVEMENT IN FUNDS	-

OPERA HOLLAND PARK

REPORT OF THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2016

The financial performance of the company has been largely affected by the transitional nature of this year. Many additional costs were taken on as a consequence of the separation of activities from the Council. However, many achievements have been made in the areas of fundraising and audience development as well as shaping the expenditure model of the future.

The Charity's principal funding source is derived from the sale of tickets and receipts of memberships, sponsorships and donations. The Charity also claims gift aid on the donations in addition to claiming Theatre Tax Relief.

Our ticket income was budget. We aim to achieve high audience numbers as an indicator of our performance generally as an opera company and as an indicator of our success in our core aims – namely to bring opera to as wide an audience as possible.

The table below indicates the percentage fulfilment of the seats per production:

Production	Number of Performances	Seats available	Seats Occupied	% Occupied
Iris	5	5 005	4 880	98
La Bohème (including YA)	9	9 009	8 595	96
Die Fledermaus	6	6 006	5 869	98
LA Cenerentola	6	6 006	5 908	98
The Queen Of Spades	6	6 006	5 894	98
		32 031	31 146	98

Our Founders Fund was a great success. Corporate development and hospitality incomes were down on the targets, but the transition and the lack of personnel (now remedied) was a key factor in this shortfall.

Growth was seen in Gift Aid recovery, and benefit from the new Theatre Tax Relief scheme. Expenditure was largely on target for 2015/16 and savings were made over previous years in the area of theatre build. Staff costs rose as expected and other consultancy was necessary (Gift Aid Recovery for example, which produced substantially more than had been expected).

Production expenditure was slightly more than expected but was small as a percentage of overall spend. Our Finance, Audit and Risk Committee has begun its work and systems for monitoring and authorising expenditure are now in operation.

The Finance, Audit and Risk Committee meets 4 times a year to review the Charity's management accounts and forecasts.

The Charity has the power to deposit or invest funds in any manner (but to invest only after obtaining professional investment advice where necessary) as it sees fit, to maximise potential income.

The Trustees note that they are required to prepare the financial statements on a 'going concern' basis, unless it is inappropriate to presume that the charitable company will continue in business.

The total grant commitments of £450,000 under note 8 was paid to RBKC in October 2016.

Investments Policy

Under the Memorandum & Articles of Association, the Charity has the power to invest monies of the company not immediately required for its operating purposes in any way the Trustees see appropriate. The Trustees, having regard to the liquidity requirements of operating the opera have operated a policy of keeping funds available in an interest bearing deposit account. Surplus cash is invested in deposit accounts with COIF and CAF banks.

OPERA HOLLAND PARK

REPORT OF THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2016

Plans for Future Years

A key part of the OHP strategy for the next five years is to increase the amount of work we produce outside of the summer season and in support of the festival itself. Plans for this includes a small concert series, community productions, singer development events etc. We are also keen to provide space in the season for new initiatives like Schools Matinees and Open Days. The first School's Matinee is scheduled for the 2018 season and our next Open Day is in July 2017.

We will continue to provide opportunities for patrons and supporters to attend varied events, both with fundraising aspirations as well as meeting the aims and objectives as they relate to education and community, including continuation and expansion of tickets schemes.

We remain fully committed to maintaining the variety of repertoire that we are renowned for, especially with the late Italian rarities. Indeed, having a more balanced and focused season means we can probably be even bolder and more interesting than previously.

The Trustees are confident that this merger puts the Charity in the best position to meet its objectives, and the Trustees are able to report that the Charity is in a strong financial position with respect to securing the future of the opera company and in support of its objectives.

Equal Opportunities provision

There is accessibility for disabled visitors to the auditorium and to the picnic and entertainment areas. Opera Holland Park has an equal opportunities employment policy.

OPERA HOLLAND PARK

REPORT OF THE TRUSTEES

YEAR ENDED 30 SEPTEMBER 2016

Statement of Trustees' responsibilities

The Trustees (who are also Directors of Opera Holland Park 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 year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. 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 of 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.

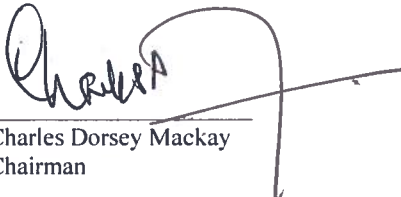
So far as each of the Trustees is aware at the time the report is approved:


- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, haysmacintyre, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

The Report of the Trustees has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the Trustees


Charles Dorsey Mackay
Chairman


Anupam Ganguli
Trustee

Date: 23 May 2017

Date: 23 May 2017

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
OPERA HOLLAND PARK**

We have audited the financial statements of Opera Holland Park for the year ended 30 September 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2016 and of the charitable company's incoming resources and application of resources 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; 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 take advantage of the small companies exemption in preparing the Trustees' Annual Report incorporating the Strategic Report.



Richard Weaver
Senior Statutory Auditor
for and on behalf of haysmacintyre, Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

24 May2017

OPERA HOLLAND PARK

STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)

YEAR ENDED 30 SEPTEMBER 2016

	Notes	Endowment Funds 2016 £	Restricted Funds 2016 £	General Funds 2016 £	Total 2016 £	Total 2015 £
INCOME AND ENDOWMENTS FROM:						
Donations						
Transfer of activities from RBKC	2	-	-	4,099,750	4,099,750	-
Other donations	3	-	456,910	605,344	1,062,254	467,739
Charitable activities	4	-	-	1,949,511	1,949,511	-
Other trading activities	5	-	-	414,330	414,330	12,941
Investments	6	854	-	48,247	49,101	2,456
Total income		<u>854</u>	<u>456,910</u>	<u>7,117,182</u>	<u>7,574,946</u>	<u>483,136</u>
EXPENDITURE ON:						
Raising funds	7	-	-	165,447	165,447	165,544
Charitable activities	8	108,531	512,270	3,354,949	3,975,750	1,600
Total expenditure		<u>108,531</u>	<u>512,270</u>	<u>3,520,396</u>	<u>4,141,197</u>	<u>167,144</u>
Net income/(expenditure) before gains / losses on investments		(107,677)	(55,360)	3,596,786	3,433,749	315,992
Gains on investments		-	-	9,183	9,183	-
Net movement in funds		<u>(107,677)</u>	<u>(55,360)</u>	<u>3,605,969</u>	<u>3,442,932</u>	<u>315,992</u>
Balance brought forward at 1 October 2015		<u>192,508</u>	<u>56,500</u>	<u>132,710</u>	<u>381,718</u>	<u>65,726</u>
Balance carried forward at 30 September 2016	16,17	<u>£84,831</u>	<u>£1,140</u>	<u>£3,738,679</u>	<u>£3,824,650</u>	<u>£381,718</u>

All activities are continuing. There are no other gains or losses other than those shown above.

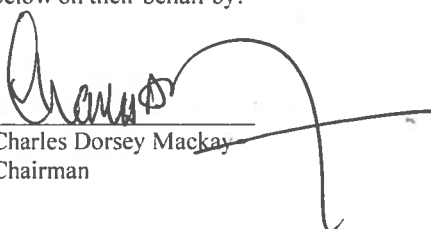
The notes on pages 14 to 23 form part of these financial statements.

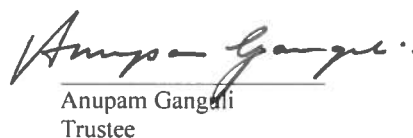
BALANCE SHEET

30 SEPTEMBER 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible fixed assets	10	243,399	-
Investments	11	71,918	-
		<u>315,317</u>	-
CURRENT ASSETS			
Debtors	12	901,684	240,144
Cash at bank		2,926,793	668,360
		<u>3,828,477</u>	<u>908,504</u>
CURRENT LIABILITIES			
Creditors	13	(319,144)	(526,786)
NET CURRENT ASSETS		3,509,334	381,718
TOTAL ASSETS LESS LIABILITIES		<u><u>£3,824,650</u></u>	<u><u>381,718</u></u>
Represented by:			
Restricted funds			
Endowment funds	17	84,831	192,508
Restricted funds	17	1,140	56,500
Unrestricted funds			
	16	3,738,679	132,710
		<u>£3,824,650</u>	<u>381,718</u>

The financial statements were approved and authorised for issue by the Trustees on 23 May 2017 and were signed below on their behalf by:


 Charles Dorsey Mackay
 Chairman


 Anupam Ganguli
 Trustee

Date:

Date:

The notes on pages 14 to 23 form part of these financial statements.

OPERA HOLLAND PARK

STATEMENT OF CASH FLOWS

YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	2015 £
Net cash provided by operations	A	2,315,362	(176,145)
Cash flows from investing activities:			
Interest received		49,101	2,456
Payments to acquire tangible fixed assets		(43,295)	-
Investment additions		(62,735)	-
Net cash (used in) / provided by investing activities		<u>(56,929)</u>	<u>2,456</u>
Change in cash and cash equivalents in the reporting period		<u>2,258,433</u>	<u>(173,689)</u>
Net cash and cash equivalents at beginning of period		668,360	842,019
Net cash and cash equivalents at end of period	B	<u><u>£2,926,793</u></u>	<u><u>£668,360</u></u>

NOTES TO THE CASHFLOW STATEMENT

A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATIONS	2016 £	2015 £
Net movement in funds	3,433,749	315,992
Income from investments	(49,101)	(2,456)
Depreciation	49,896	-
Donated assets	(250,000)	-
(Increase) in debtors	(661,540)	(16,292)
Decrease in creditors	(207,642)	(473,389)
	<u><u>£2,315,362</u></u>	<u><u>£(176,145)</u></u>

B. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS	At 1 October 2015 £	Cash flows £	At 30 September 2016 £
	<u><u>£668,360</u></u>	<u><u>£2,258,433</u></u>	<u><u>£2,926,793</u></u>

OPERA HOLLAND PARK

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2016

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are as follows:

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.

Opera Holland Park meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Income recognition

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

- i) *Donations and legacies*
Income from subscriptions and donations are included in incoming resources in the year to which they relate. Subscription income is deferred if the subscription relates to the following Season.
- ii) *Gifts and intangible income*
Income from these sources is included in the year in which it is received and valued at a reasonable estimate of the value of the gift or service received.
- iii) *Other trading activities*
Income from activities is included in incoming resources when receivable.
- iv) *Investment income*
Interest is included when receivable by the Charity and added to the relevant fund.
- v) *Ticket Income*
Income from ticket sales is included in the year in which it is received. Part of ticket income is a donation and this is separately recognised as a donation.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- i) *Expenditure on raising funds*
This comprises all costs incurred by the Charity relating to the raising of funds to finance its charitable objectives. Staff costs are split 50:50 under this heading and governance costs as an estimate of actual staff time spent.
- ii) *Charitable activities*
This comprises grants made by the Charity to institutions. Grants payable are recognised once the grant is agreed by the Trustees and communicated to the institution.
- iii) *Support costs and governance costs*
This comprises all costs associated with the running of the Charity's office, and any other costs not directly attributable to the above headings. Support costs are allocated to Fundraising

OPERA HOLLAND PARK

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 30 SEPTEMBER 2016

1. ACCOUNTING POLICIES (continued)

Staff costs

Short term benefits

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

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pensions

Contributions are made to the Local Government Pension Plan for the transferred employees from the Royal Borough of Kensington and Chelsea. Auto-enrolment pension is effective from 1st October 2016.

Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds are funds set aside for a specific purpose. The purpose and uses of the designated funds are set out in the notes to the financial statements. Transfers are made to the designated fund from the general fund to cover designated expenditure where necessary.

Restricted funds are subject to specific conditions by donors as to how they may be used and are, therefore, restricted funds. The purpose and uses of the restricted funds are set out in the notes to the financial statements.

Expendable endowment funds are funds raised for a specific future funding purpose. The purpose and uses of the expendable endowment funds are set out in the notes to the financial statements.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Tangible Fixed Assets

Fixed assets with a cost of less than £500 are not capitalised but charged direct to the Statement of Financial Activities as an expense in the year of purchase.

Depreciation is provided in order to write off the cost of tangible fixed assets over their estimated useful lives at the following rates:

Canopy	5 years straight line
Seating	7 years straight line
Office equipment	3-5 years straight line
Fixtures and fittings	3-10 years straight line
Software	3 years straight line

Investments

Investments are valued at their fair value.

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.

OPERA HOLLAND PARK

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 30 SEPTEMBER 2016

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.

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.

2. TRANSFER OF ACTIVITIES	Endowment Funds £	Restricted Funds £	General Funds £	Total 2016 £	Total 2015 £
Cash funding	-	-	3,849,750	3,849,750	-
Donation in kind	-	-	250,000	250,000	-
	<u>£-</u>	<u>£-</u>	<u>£4,099,750</u>	<u>£4,099,750</u>	<u>£-</u>

On 2 October 2015 The Royal Borough of Kensington and Chelsea transferred the business and related assets of Opera Holland Park to the Charity in the form of a service and grant agreement.

The Charity received a grant of £4,099,750 in the year ended 30 September 2016 (2015: £Nil). This was made up as follows:

1st instalment of RBKC	£3,849,750
Transfer of assets	£250,000

It should also be noted that the transfer of assets received as "donation in kind" included the canopy and the seating stand valued at £250,000. These have been depreciated accordingly. The Council's agreed full and final settlement is designed to enable the Charity to draw down on the grant whilst it develops its business plan and becomes self-sufficient.

3. OTHER DONATIONS	Endowment Funds £	Restricted Funds £	General Funds £	Total 2016 £	Total 2015 £
Donations	-	24,160	337,840	362,000	262,773
Grants	-	22,245	17,500	39,745	-
Founders	-	410,505	-	410,505	-
Memberships	-	-	250,004	250,004	148,266
Expendable endowment	-	-	-	-	200
Productions	-	-	-	-	19,500
	<u>£-</u>	<u>£456,910</u>	<u>£605,344</u>	<u>£1,062,254</u>	<u>£467,739</u>

4. CHARITABLE ACTIVITIES	Endowment Funds £	Restricted Funds £	General Funds £	Total 2016 £	Total 2015 £
Ticket sales	-	-	1,409,661	1,409,661	-
Gift aid	-	-	239,850	239,850	-
Theatre tax relief	-	-	300,000	300,000	-
	<u>£-</u>	<u>£-</u>	<u>£1,949,511</u>	<u>£1,949,511</u>	<u>£148,266</u>

OPERA HOLLAND PARK

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 30 SEPTEMBER 2016

5. OTHER TRADING ACTIVITIES	Endowment Funds £	Restricted Funds £	General Funds £	Total 2016 £	Total 2015 £
Picnics & Events	-	-	164,489	164,489	12,941
Fee Income	-	-	24,295	24,295	-
Trading Income	-	-	2,446	2,446	-
Sponsorship & Advertising	-	-	223,100	223,100	-
	<u>£-</u>	<u>£-</u>	<u>£414,330</u>	<u>£414,330</u>	<u>£12,941</u>
6. INVESTMENTS	Endowment Funds £	Restricted Funds £	General Funds £	Total 2016 £	Total 2015 £
Bank interest	854	-	13,853	13,853	2,456
Rental income	-	-	34,393	34,393	-
	<u>£854</u>	<u>-</u>	<u>£48,247</u>	<u>£49,101</u>	<u>£2,456</u>
7. EXPENDITURE ON RAISING FUNDS	Endowment Funds £	Restricted Funds £	General Funds £	Total 2016 £	
Fundraising costs	-	-	149,145	149,145	
Fundraising trading	-	-	16,302	16,302	
	<u>£-</u>	<u>£-</u>	<u>£165,447</u>	<u>£165,447</u>	

Due to the change in the nature of the business for the year ended 30 September 2016, it is not possible to compare 2016 costs to 2015 costs.

OPERA HOLLAND PARK

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 30 SEPTEMBER 2016

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Costs	Support costs	Total 2016	Total 2015
	£	£	£	£
Cost of productions	3,438,026	429,193	3,867,219	-
Canopy maintenance	-	108,531	108,531	-
Grant to Opera Holland Park	-	-	-	1,600
	<u>£3,438,026</u>	<u>£537,724</u>	<u>£3,975,750</u>	<u>£1,600</u>

Support Costs	Total 2016
Staff costs	254,643
Governance	26,535
Depreciation and maintenance	116,998
Agency staff	60,705
Admin	54,919
Marketing	11,570
IT	12,354
	<u>£537,724</u>

9. TRUSTEE REMUNERATION, TRUSTEES' BENEFITS AND STAFF COSTS

	2016	2015
	£	£
Salaries and wages	557,848	66,000
Social security costs	47,614	3,931
Pensions	35,390	-
	<u>£640,852</u>	<u>£69,931</u>
Average number of employees during each year:		
Administration	<u>24</u>	<u>3</u>

Two employees received emoluments exceeding £60,000 in the current year in the banding £70,000 - £79,999. There were no employees receiving emoluments exceeding £60,000 in the prior year.

During the current year and prior year none of the Trustees (or any individuals connected with them) received any remuneration, benefits or reimbursement of expenses.

In addition to the Trustees who are unremunerated, the total remuneration paid to key management personnel in the year was £168,980 (2015: £15,010).

OPERA HOLLAND PARK
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 30 SEPTEMBER 2016

10. FIXED ASSETS

	Office Equipment	Fixtures and fittings	Software	Canopy	Seating	Total
	£	£	£	£	£	£
Cost						
At 1 October 2015	-	-	-	-	-	-
Additions	23,379	16,446	3,470	-	-	43,295
Donated asset	-	-	-	100,000	150,000	250,000
At 30 September 2016	<u>23,379</u>	<u>16,446</u>	<u>3,470</u>	<u>100,000</u>	<u>150,000</u>	<u>293,295</u>
Depreciation						
At 1 October 2015	-	-	-	-	-	-
Charge for the year	6,137	1,192	1,138	20,000	21,429	49,896
At 30 September 2016	<u>6,137</u>	<u>1,192</u>	<u>1,138</u>	<u>20,000</u>	<u>21,429</u>	<u>49,896</u>
Net book value						
At 30 September 2016	<u>£17,242</u>	<u>£15,254</u>	<u>£2,332</u>	<u>£80,000</u>	<u>£128,571</u>	<u>£243,399</u>
At 30 September 2015	<u>£-</u>	<u>£-</u>	<u>£-</u>	<u>£-</u>	<u>£-</u>	<u>£-</u>

11. INVESTMENTS

	2016 £	2015 £
At 1 October	-	-
Additions	62,735	-
Unrealised gain	9,183	-
	<u>£71,918</u>	<u>£-</u>

12. DEBTORS

	2016 £	2015 £
Trade debtors	289,529	-
Other debtors	107,498	-
Prepayments and accrued income	198,543	240,144
Theatre tax credit	300,000	-
Theatre tax credit	6,114	-
	<u>£901,684</u>	<u>£240,144</u>

13. CREDITORS: amounts falling due within one year

	2016 £	2015 £
Trade creditors	220,281	-
Other taxation and social security	17,535	-
Other creditors	54,156	-
Grant commitment	-	450,000
Accruals and deferred income	27,172	76,786
	<u>£319,144</u>	<u>£526,786</u>

OPERA HOLLAND PARK

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 30 SEPTEMBER 2016

14. ANALYSIS OF DEFERRED INCOME	2016	2015
	£	£
At start of year	12,161	123,975
Amounts released to income	(12,161)	(123,975)
Amounts deferred in the year	2,878	12,161
Deferred Income	<u>£2,878</u>	<u>£12,161</u>

Deferred income relates to membership subscriptions and donations received in advance.

15. TAXATION

The charitable company is a registered Charity and is not liable to corporation tax in the United Kingdom.

16. UNRESTRICTED FUNDS	1 October			Investment	30 September
	2015	Income	Expenditure	gains	2016
	£	£	£	£	£
Unrestricted					
General funds	<u>£132,710</u>	<u>£7,117,182</u>	<u>£(3,520,396)</u>	<u>£9,183</u>	<u>£3,738,679</u>

The unrestricted general funds comprise monies that can be used in accordance with the charitable objects of the Charity at the discretion of the Trustees.

OPERA HOLLAND PARK

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 30 SEPTEMBER 2016

17. RESTRICTED FUNDS	1 October 2015 £	Income £	Expenditure £	30 September 2016 £
Expendable endowment	192,508	854	(108,531)	84,831
Restricted				
Founders fund	-	410,505	(410,505)	-
Inspire project	10,000	6,325	(16,325)	-
Production syndicate	19,500	23,580	(43,080)	-
The Angela Lascelles Chorus Programme	16,000	-	(16,000)	-
The Young Artist Programme	11,000	16,500	(26,360)	1,140
Total restricted	56,500	456,910	512,270	1,140
Total restricted and endowment funds	£249,008	£457,764	£620,801	£85,971

Endowment funds

The expendable endowment fund consists of a fund set up to cover the running costs for the theatre canopy over its projected ten year lifetime.

Restricted Funds

Founders Fund

Our Founders support the artistic excellence and development of the company. The money is held in a restricted fund and is applied for, by the Directors of the company, for specific items which improve the artistic quality of the season. For instance, a slightly bigger chorus, more strings in the orchestra, a more elaborate set for a specific production, a higher quality soloist or a new commission.

Inspire project

This includes the free tickets for Young People scheme and other outreach work in the community.

Production syndicate

These are contributions towards specific productions supported by the Productions syndicates.

The Young Artist Programme

This enables the company to mount an additional performance which gives unique public performance opportunities to emerging singers, directors and conductors. This programme acts as a feeder programme to our main stage productions, with several performers and directors subsequently employed as principal artistic personnel on the main stage productions.

OPERA HOLLAND PARK**NOTES TO THE ACCOUNTS (continued)****YEAR ENDED 30 SEPTEMBER 2016**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS	General Funds	Endowment Funds	Restricted Funds	2016 Total funds	2015 Total funds
	£	£	£	£	£
Tangible fixed assets	243,399	-	-	243,399	-
Investments	71,918	-	-	71,918	-
Current assets	3,742,506	84,831	1,140	3,828,477	908,504
Current liabilities	(319,144)	-	-	(319,144)	(526,786)
	<u>£3,738,679</u>	<u>£84,831</u>	<u>£1,140</u>	<u>£3,824,650</u>	<u>£381,718</u>

19. LIABILITY OF MEMBERS

The Company does not have share capital and is limited by guarantee. In the event of the company being wound up the maximum each member is liable to contribute is £1 (2015: £1).

20. CONTROL

The Trustees consider there to be no ultimate controlling party.

21. RELATED PARTY TRANSACTIONS

The aggregate of donations received from the Trustees in the year was £10,000 (2015: £17,765).

OPERA HOLLAND PARK

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 30 SEPTEMBER 2016

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY FOR THE 9 MONTH PERIOD TO 30 SEPTEMBER 2015

	Endowment Funds 2015 £	Restricted Funds 2015 £	General Funds 2015 £	Total 2015 £
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	200	56,500	411,039	467,739
Other trading activities	-	-	12,941	12,941
Investments	640	-	1,816	2,456
Total income	<u>840</u>	<u>56,500</u>	<u>425,796</u>	<u>483,136</u>
EXPENDITURE ON:				
Raising funds	-	-	165,544	165,544
Charitable Activities				
Grants to Opera Holland Park	-	-	1,600	1,600
Total expenditure	<u>-</u>	<u>-</u>	<u>167,144</u>	<u>167,144</u>
Net income/(expenditure)	840	56,500	258,652	315,992
Balance brought forward at 1 January 2015	<u>191,668</u>	<u>-</u>	<u>(125,942)</u>	<u>65,726</u>
Balance carried forward at 30 September 2015	<u>£192,508</u>	<u>£56,500</u>	<u>£132,710</u>	<u>£381,718</u>