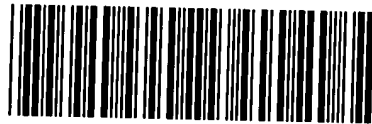


MID WALES OPERA LIMITED
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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COMPANIES HOUSE

WR

Whittingham Riddell

chartered accountants

MID WALES OPERA LIMITED
(A company limited by guarantee)

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MID WALES OPERA LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2017**

Trustees

Simon Baynes
Sioned Bowen (Resigned 31 December 2016)
Sara Clutton
Sheila Drury CBE
Kingsley George
Paul Loveluck CBE
John Stephenson
Gareth Williams (Chair)
Alun Jones

Company registered number

03001101

Charity registered number

1043391

Registered office

Bryn Wgan, Trefeglwys, Powys, SY17 5QU

Company secretary

Alun Jones

Chief executive officer

Lydia Bassett

Accountants

Whittingham Riddell LLP, Hafren House, 5 St Giles Business Park, Newtown, Powys, SY16 3AJ

MID WALES OPERA LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Mid Wales Opera Limited (the Company) for the year ended 31 March 2017. The Trustees confirm that the Annual report and financial statements of the Company comply with the current statutory requirements, the requirements of the Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2015.

This report covers the twelve-month period to 31 March 2017 which included two large scale mainstage productions and tours of Handel's Semele and Mozart's The Magic Flute both beginning in February 2017.

Since the Company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. POLICIES, OBJECTIVES AND PUBLIC BENEFIT

Mid Wales Opera's mission is to create and perform accessible opera on an intimate scale, enabling our audiences to experience opera differently.

The scale at which we work enables us to fulfil our ambitions to:

Stage thought-provoking, moving and high quality productions in small and mid-scale venues across Wales and England where fully staged professional live opera is rarely or never shown, thus reaching audiences who would not otherwise be able to experience it.

Play a part in sustaining a vibrant culture of live opera performance by offering invaluable career development opportunities to young singers, helping them to progress their careers on a national and international level. Fifty per cent of our casts will be "young artists" under 30 and within four years of leaving college.

The company aims to mount operatic productions of the highest possible standards within budgetary restraints at affordable prices in areas where audiences do not otherwise have the opportunity to attend fully professional performances of opera. It also wishes to develop new audiences for opera by creating accessible productions which are original, exciting and ambitious.

In shaping the Company's objectives, the Trustees have given consideration to the Charity Commission's guidance on public benefit and in drawing up and revising our business plan have given a high priority to extending engagement with our audiences through outreach and community based activities alongside our core touring programme.

b. STRATEGIES FOR ACHIEVING OBJECTIVES

In order to adapt to the majority of the venues that it visits the Company makes use of a reduced orchestra and a limited chorus. It also designs sets which are convincing while remaining adaptable to the extremely varied range of stages in the venues. Considerable extra activity has been generated in recent years around work with young and developing artists and this is becoming well integrated into both productions and the audience engagement work that goes alongside the touring activity.

This year's productions both emphasised our strong focus on developing young artists: indeed, our production of Semele was a co-production with the Royal Welsh College of Music and Drama and involved a total of 42 students from our 19 singers to the set and lighting designers, stage crew and musicians performing alongside the Academy of Ancient Music.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

2016 also saw the introduction of our new Young Artists' Policy – whereby at least 50% of singers employed by the Company will be under 30 and/or within 4 years of leaving education. The cast of our Magic Flute tour reflected this strategy and we have been able to combine our desire and demand for excellent singers with the ability to support young artists in the early stages of their careers by offering them key roles within our production.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

Mid Wales Opera is committed to making its productions available to all and in particular the Trustees make conscious efforts to ensure that we perform at a range of venues and that tickets are available at prices which will, as far as possible, enable everyone to receive the benefit of experiencing the charity's work.

This year's touring work has reflected that ambition with eight performances of *Semele* – four in Cardiff and four on tour in Newtown, Brecon, Colwyn Bay and Llanelli - and five of *The Magic Flute* in Newtown, Aberystwyth, Pontardawe, Bangor and Newport.

Our choice of performances this year has also helped to achieve a balanced repertoire by alternating the most popular works with operas that are less frequently performed by touring companies. We can find no record of previous professional performances of Handel's *Semele* in Wales – and by working in association with The Academy of Ancient Music we were able to bring finely nuanced baroque performances to complement the modern interpretation of our Director Martin Constantine.

By contrast *The Magic Flute* is a core staple of the operatic canon and offered the opportunity to reach the widest possible audience for our new Artistic Team's inaugural production for MWO.

MWO is recognised as one of the most successful touring opera companies in the United Kingdom through its innovative and thought-provoking productions, and attracts singers and directors from the major opera companies throughout the world.

2016/17 was a period of significant organisational change for MWO in terms of staffing structure.

Nicholas Cleobury our Artistic Director since 2010 left the Company in the spring of 2017 to concentrate on his appointment as Head of Opera at the Queensland Conservatorium of Music. The transition period meant Nicholas could concentrate on conducting and musical direction for *Semele* while our new joint artistic team of Richard Studer (Artistic Director and Designer) and Jonathan Lyness (Music Director) led on our new production of *The Magic Flute*.

Both productions were exceptionally well received - with *Semele* receiving appreciative reviews in the national press, including a four star review from *The Independent*, and *The Magic Flute* praised by Richard Bratby in *The Spectator* as a "thoroughly entertaining shot of Mozartian optimism." Together our 13 performances of the Spring season (two of which took place after the end of the financial year) reached an audience of more than 2,500 with a rapturous response from audiences to having Mid Wales Opera return to touring in Wales.

One disappointment of the year was the decision not to extend the Company's touring activities to England, given the difficulty of securing funding from Arts Council England: however, with the strong support of Arts Council Wales the Company's business model has been comprehensively restructured to make it possible to sustain touring in Wales alone.

MID WALES OPERA LIMITED
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

Achievements and performance

a. REVIEW OF ACTIVITIES

Following a year of review and reflection in 2015/16 the period to March 2017 has seen MWO return to touring operatic productions in Wales with two productions opening in February 2017 and with major changes to our staffing and organisational structures.

Work began in earnest on our co-production of *Semele* with the Royal Welsh College of Music and Drama in Autumn 2016 with auditions in London in September, and rehearsals starting earlier than originally envisaged in December 2016. The production was directed by Martin Constantine on behalf of the college and Nicholas Cleobury for MWO – with Nicholas leaving the production in the eminently capable hands of Jonathan Lyness for the final two performances.

Semele was funded through Arts Council Wales National Lottery funding with additional support from the Colwinston Charitable Trust and the Idlewild Trust. Originally we had planned for two performances in Cardiff and four on tour. However, the integration of the production into the college's core schedule of work vastly increased the range and number of students involved in the show – with two additional performances added in Cardiff, a second cast for two Cardiff shows and students leading on stage crew, design and playing alongside professional period specialists.

The addition of the Academy of Ancient Music, whose players joined us for rehearsals and on tour, helped boost audiences and gave our student musicians the opportunity to play alongside world class professionals with specific period expertise in baroque work.

Semele opened in Cardiff on February 8th and reached an audience of 1,374 across the eight shows – well exceeding our original target of 1200 – and while challenging in terms of the logistics of a double tour for such a small company it did mean we were able to relaunch MWO's touring activity with a real bang. We were delighted by the production and are looking forward to working with conservatoire partners in the future.

Our tour of *The Magic Flute* shared a stage with *Semele* in our home venue of Hafren, Newtown opening after our Powys-based production week on February 17th before heading to Aberystwyth, Pontardawe, Bangor and Newport. We opened to an audience of 427 – close to a sell-out, with audience members perched in side balconies rarely used by the theatre.

Richard Bratby's Spectator review summed up the feeling of the Company around the *Magic Flute* tour: "And by the look of their new *Flute*, which opened on Friday night in Newtown, Mid Wales Opera isn't merely off life-support: it's back in the game and punching straight into the same league as English Touring Opera, a company whose only artistic compromises relate to the size of its venues."

Audience feedback throughout the tour has been fantastic, and there is a renewed sense of focus and energy within the company as we plan for the 2017/18 season. We have also been able to build further outreach activities and develop new partnerships through *The Magic Flute* tour.

While the key focus of our work has been on our touring work, we have also taken time to work alongside the Friends of Mid Wales Opera on fundraising performances including the Gala evening at Gregynog Hall in July 2016 and a carols concert in Montgomery Church in December, both of which we are looking to repeat in the coming 12 months.

b. INVESTMENT POLICY AND PERFORMANCE

The investment policy has been to balance liquidity and availability of funds whilst ensuring an appropriate level of return on the investment; though no short term investments with reasonable rates of return have been

MID WALES OPERA LIMITED
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

available in the market in recent years.

Financial review

a. GOING CONCERN

After making appropriate enquiries the Trustees have carried out a review of the going concern basis and is pleased to report a strengthening of the Company's reserves position during the year.

The Trustees have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

b. RESERVES POLICY

The free reserves of the charity are £99,836 (compared to £69,075 brought forward from 2016), being the total unrestricted funds of £133,050 less depreciated fixed assets of £33,214.

The trustees' reserves policy was reviewed in January 2011 and it was agreed to aspire to have 20% of the annual income in reserve.

The detailed result is set out on page 10 in the Statement of Financial Activities.

c. PRINCIPAL FUNDING

The majority of the Company's income is derived from box office sales for the performances of the production during the year and the grants received from Arts Councils, Trusts and other awarding bodies. Details of the grants received are shown on page 16 of the accounts. In addition the Company is also grateful for the donations received from individual and corporate supporters during the year. Details of the donations received can be seen on page 15 of these accounts.

The Company also benefited for the first time from the Government's Theatre Tax Credit, with a payment of £9,300 in respect of our 2014 production of Carmen. This is shown as 'other income' in the Statement of Financial Activities

Structure, governance and management

a. CONSTITUTION

The Company is constituted under a Memorandum of Association and is a registered charity number 1043391.

At the prompting of Arts Council Wales, the Trustees undertook a review of the Memorandum and Articles of Association during the 2015/16 and concluded that these remained fit for purpose. There have therefore been no changes in the objectives since the last annual report.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Company is the responsibility of the Trustees who are co-opted and elected under the terms of the Trust deed.

The Company invites new trustees who have an appreciation and understanding of the arts, and particularly of

MID WALES OPERA LIMITED
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

opera. Ideally they will have regularly attended performances given by the Company prior to their appointment. Njabulo Madlala, who has been invited and is expected to join the Board in the next few months, has previously performed as both a Young Artist and as the lead in MWO's Don Giovanni and brings with him specific industry expertise as well as experience of outreach focussed work both in the UK and in South Africa.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Potential trustees will be identified, brought to the attention of the existing Board members and invited to one of their meetings. The Chair and Executive Officer will identify any particular skills that they would bring to the Company and ensure that they understand the Company's financial position and budget process. They are invited to observe auditions and to rehearsals as well as performances of company productions, and will be given detailed information regarding the overall preparation of the performances.

d. RELATED PARTY RELATIONSHIPS

The Friends of Mid Wales Opera is run by a small group of volunteers who manage a number of fundraising events during the year. The trustees want to particularly acknowledge the contribution of Jackie Titley the Chair of the Friends' Committee for co-ordinating this effort. Friends' activities are reflected in the Company's accounts and it is very pleasing to note the hard work that went into making the Gregynog Summer Concert.

The Friends also contributed to ensuring a presence for the Company at the Newtown Food Festival during the year and to our Christmas Carols concert held in Montgomery Church in December 2016.

e. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks – a risk register is now maintained and reviewed regularly as part of the business planning cycle which is part of the funding agreement with Arts Council Wales.

Plans for future periods

a. FUTURE DEVELOPMENTS

Now Mid Wales Opera is firmly back on the road, we have plans to continue and expand that with 25 shows planned for 2017/18.

Our 2017/18 touring commences with MWO's first ever SmallStages tour in Autumn 2017, supported by the Ashley Family Foundation and Foyle Foundation, and touring to 15 small theatres, community halls and churches across Wales (and to Ludlow) with a new arrangement of William Walton's comic classic The Bear by our Music Director Jonathan Lyness.

The Bear will tour on the Arts Council of Wales' Night Out programme and each performance will include a presentation of the one hour opera, with three singers and five musicians, followed by a second half focussing on party pieces from Tchaikovsky's Eugene Onegin, which we are touring in Spring 2018.

Both The Bear and Eugene Onegin are part of the R17 season in Wales commemorating 100 years since the

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

Russian Revolution. The twin tours set a template for future seasons, with community scale touring each Autumn to small stages venues sharing key themes with our Spring tour to main stage theatres. We hope to build and develop new audiences for our main touring programme through the Autumn tours.

The majority of funding for our Spring 2018 tour is also already in place with smaller applications to Trust funders still to be submitted. Our Eugene Onegin tour will open in Hafren, Newtown on February 24 2018, visiting seven theatres in Wales then finishing at The Courtyard in Hereford on Tuesday April 10th.

Outside our core touring work, June 2017 will see MWO trialling a new model of education work with a one week residency in Montgomery Church in Wales School, working with more than 50 junior school pupils to create an opera from scratch in a week – writing, singing, designing and creating costume for a performance loosely based on the cartoons which lie behind Janacek's The Cunning Little Vixen. The residency is part of a two year programme funded through Arts Council Wales' Creative Collaborations scheme.

In addition to the annual Friends' Gala at Gregynog we are also hosting an event at Powis Castle in partnership with the National Trust – designed to bring in new audiences and offer the opportunity to enjoy music in the gardens at Midsummer.

Our fundraising focus during 2018/19 will be on applications for the Autumn 2018 tour of Ravel's L'heure espagnole and a Spring 2019 tour of Puccini's much loved classic Tosca – bringing a taste of Mediterranean passion to our audiences.

TRUSTEES' RESPONSIBILITIES STATEMENT

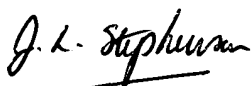
The Trustees (who are also directors of Mid Wales Opera Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 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.

This report was approved by the Trustees on 9 June 2017 and signed on their behalf by:



.....
John Stephenson
Trustee

MID WALES OPERA LIMITED
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MID WALES OPERA LIMITED

I report on the financial statements of the Company for the year ended 31 March 2017 which are set out on pages 10 to 23.

This report is made solely to the Company's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on the after 1 January 2015.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The Trustees, who are also the directors of the Company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The Company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the Company is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

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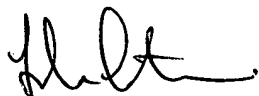
INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and in other respects comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Dated: 11/7/2017

Mr J Fletcher BA(Hons) FCA

WHITTINGHAM RIDDELL LLP
Chartered Accountants
Hafren House
5 St Giles Business Park
Newtown
Powys
SY16 3AJ

MID WALES OPERA LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies	2	-	7,679	7,679	8,470
Charitable activities	3	122,715	129,263	251,978	129,940
Other trading activities	4	1,426	3,458	4,884	11,209
Investments	5	-	109	109	70
Other income		-	9,300	9,300	-
TOTAL INCOME AND ENDOWMENTS		124,141	149,809	273,950	149,689
EXPENDITURE ON:					
Raising funds		1,455	23,156	24,611	13,050
Charitable activities	8	91,637	109,934	201,571	100,841
TOTAL EXPENDITURE	9	93,092	133,090	226,182	113,891
NET INCOME BEFORE TRANSFERS		31,049	16,719	47,768	35,798
Transfers between Funds	15	(11,946)	11,946	-	-
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		19,103	28,665	47,768	35,798
NET MOVEMENT IN FUNDS		19,103	28,665	47,768	35,798
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	104,385	104,385	68,587
TOTAL FUNDS CARRIED FORWARD		19,103	133,050	152,153	104,385

All activities relate to continuing operations.

The notes on pages 12 to 23 form part of these financial statements.

MID WALES OPERA LIMITED
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REGISTERED NUMBER: 03001101

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		33,214		35,313
CURRENT ASSETS					
Debtors	13	16,427		1,282	
Cash at bank and in hand		110,182		70,720	
		<u>126,609</u>		<u>72,002</u>	
CREDITORS: amounts falling due within one year	14	(7,670)		(2,930)	
NET CURRENT ASSETS			<u>118,939</u>		<u>69,072</u>
NET ASSETS			<u>152,153</u>		<u>104,385</u>
CHARITY FUNDS					
Restricted funds	15	19,103			-
Unrestricted funds	15	133,050			104,385
TOTAL FUNDS			<u>152,153</u>		<u>104,385</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees on 9 June 2017 and signed on their behalf, by:



John Stephenson

The notes on pages 12 to 23 form part of these financial statements.

MID WALES OPERA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

Mid Wales Opera Limited 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.

1.2 Company status

The Company is a company limited by guarantee. The members of the Company are the Trustees named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

1.3 Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

MID WALES OPERA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the Company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the Company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

MID WALES OPERA LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Going concern

The Trustees have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% p.a straight line
Office equipment	-	15% p.a straight line
Sets, props and costumes	-	80% in year of production, 20% RB thereafter

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Debtors

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.10 Cash at Bank and in hand

Cash at bank and 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.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. DONATIONS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Friends of Mid Wales Opera	-	1,215	1,215	1,345
Patrons Circle	-	4,640	4,640	2,515
Control Techniques	-	1,500	1,500	1,000
Other donations	-	324	324	3,610
Total donations and legacies	-	7,679	7,679	8,470

In 2016, of the total income from donations and legacies, £8,470 was to unrestricted funds and £ NIL was to restricted funds

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**NOTES TO THE FINANCIAL STATEMENTS
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3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Ticket sales and fees	5,952	11,015	16,967	16,142
Grants receivable	116,763	118,248	235,011	113,798
	<u>122,715</u>	<u>129,263</u>	<u>251,978</u>	<u>129,940</u>

In 2016, of the total income from charitable activities, £129,940 was to unrestricted funds and £ NIL was to restricted funds.

GRANTS RECEIVABLE

	Restricted 2017 £	Unrestricted 2017 £	Total 2017 £	Total 2016 £
Sub-Header				
The Arts Council of Wales	73,763	100,798	174,561	100,798
Foyle Foundation	20,000	-	20,000	-
Powys County Council	-	4,950	4,950	6,500
Millichope Foundation	-	1,500	1,500	1,500
G&M Davies Charitable Trust	-	5,000	5,000	3,000
John Lewis Chairman's Fund	-	2,000	2,000	2,000
Colwinston Charitable Trust	20,000	-	20,000	-
Oakdale Trust Fund	-	1,000	1,000	-
D'Oyly Carte Charitable Trust	-	3,000	3,000	-
Idlewild Trust	3,000	-	3,000	-
Total	<u>116,763</u>	<u>118,248</u>	<u>235,011</u>	<u>113,798</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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4. FUNDRAISING INCOME

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other sales	1,426	3,458	4,884	1,209
Sponsorship	-	-	-	10,000
	<u>1,426</u>	<u>3,458</u>	<u>4,884</u>	<u>11,209</u>

In 2016, of the total income from other trading activities, £11,209 was to unrestricted funds and £ NIL was to restricted funds.

5. INVESTMENT INCOME

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	-	109	109	70
	<u>-</u>	<u>109</u>	<u>109</u>	<u>70</u>

In 2016, of the total investment income, £ 70 was to unrestricted funds and £ NIL was to restricted funds.

6. DIRECT COSTS

	Production costs £	Total 2017 £	Total 2016 £
Orchestra	45,513	45,513	13,835
Singers	30,600	30,600	8,895
Design team	12,600	12,600	12,950
Production crew	18,232	18,232	4,350
Set transport	9,472	9,472	2,161
Travel expenses and accommodation	4,977	4,977	1,118
Other production costs	4,553	4,553	7,729
Wages and salaries	20,398	20,398	-
Depreciation	13,323	13,323	4,819
	<u>159,668</u>	<u>159,668</u>	<u>55,857</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. SUPPORT COSTS

	Production costs	Total 2017	Total 2016
	£	£	£
Sundry expenses	1,491	1,491	3,151
Postage and stationery	513	513	279
Advertising and marketing	6,408	6,408	4,475
Bank charges and interest payable	317	317	397
Telephone and computers	773	773	406
Insurance	2,752	2,752	1,651
Travel expenses	3,825	3,825	945
Light and heating	98	98	90
Fees for admin services	4,001	4,001	3,825
Repairs and maintenance	827	827	652
Training and development	123	123	835
Wages and salaries	10,199	10,199	3,558
Depreciation	919	919	969
	32,246	32,246	21,233

8. GOVERNANCE COSTS

	Restricted funds 2017	Unrestricted funds 2017	Total funds 2017	Total funds 2016
	£	£	£	£
Accounting fees	-	1,500	1,500	1,841
Consultancy fees	-	2,407	2,407	14,000
Trustees meetings	-	507	507	794
Strategic development	-	143	143	-
Salaries	-	3,297	3,297	6,948
Pension costs	-	1,803	1,803	168
	-	9,657	9,657	23,751

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Costs of generating funds	15,299	-	9,312	24,611	13,050
Costs of generating funds	15,299	-	9,312	24,611	13,050
Core production costs	30,597	14,242	147,075	191,914	77,090
Expenditure on governance	5,100	-	4,557	9,657	23,751
	50,996	14,242	160,944	226,182	113,891

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	14,242	5,788

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

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11. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	49,193	21,180
Other pension costs	1,803	168
	<u>50,996</u>	<u>21,348</u>

The average number of persons employed by the company during the year was as follows:

	2017 No.	2016 No.
	3	3

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Employees	2	2

No employee received remuneration amounting to more than £60,000 in either year.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Office equipment £	Other fixed assets £	Total £
Cost				
At 1 April 2016	25,000	46,125	344,115	415,240
Additions	-	-	12,143	12,143
At 31 March 2017	<u>25,000</u>	<u>46,125</u>	<u>356,258</u>	<u>427,383</u>
Depreciation				
At 1 April 2016	8,625	45,224	326,078	379,927
Charge for the year	500	419	13,323	14,242
At 31 March 2017	<u>9,125</u>	<u>45,643</u>	<u>339,401</u>	<u>394,169</u>
Net book value				
At 31 March 2017	<u>15,875</u>	<u>482</u>	<u>16,857</u>	<u>33,214</u>
At 31 March 2016	<u>16,375</u>	<u>901</u>	<u>18,037</u>	<u>35,313</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. DEBTORS

	2017 £	2016 £
Trade debtors	5,336	-
VAT debtor	10,358	-
Prepayments and accrued income	733	1,282
	<u>16,427</u>	<u>1,282</u>

14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	3,411	846
Other taxation and social security	2,759	584
Accruals and deferred income	1,500	1,500
	<u>7,670</u>	<u>2,930</u>

15. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Carried Forward £
Designated funds					
Designated Funds	-	-	-	20,100	20,100
General funds					
General Funds	104,385	149,809	(135,395)	(8,154)	110,645
Other General funds	-	-	2,305	-	2,305
	<u>104,385</u>	<u>149,809</u>	<u>(133,090)</u>	<u>(8,154)</u>	<u>112,950</u>
Total Unrestricted funds	<u>104,385</u>	<u>149,809</u>	<u>(133,090)</u>	<u>11,946</u>	<u>133,050</u>
Restricted funds					
Semele Project	-	104,141	(92,195)	(11,946)	-
The Bear Project (Autumn 17)	-	20,000	(777)	-	19,223
Creative Learning Fund	-	-	(120)	-	(120)
	<u>-</u>	<u>124,141</u>	<u>(93,092)</u>	<u>(11,946)</u>	<u>19,103</u>
Total of funds	<u>104,385</u>	<u>273,950</u>	<u>(226,182)</u>	<u>-</u>	<u>152,153</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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SUMMARY OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Carried Forward £
Designated funds	-	-	-	20,100	20,100
General funds	104,385	149,809	(133,090)	(8,154)	112,950
	<u>104,385</u>	<u>149,809</u>	<u>(133,090)</u>	<u>11,946</u>	<u>133,050</u>
Restricted funds	-	124,141	(93,092)	(11,946)	19,103
	<u>104,385</u>	<u>273,950</u>	<u>(226,182)</u>	<u>-</u>	<u>152,153</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	-	-	-	35,313
Current assets	19,103	107,508	126,611	72,005
Creditors due within one year	-	(7,672)	(7,672)	(2,930)
	<u>19,103</u>	<u>133,050</u>	<u>152,153</u>	<u>104,385</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the company to personal pension funds and amounted to £1,803 (2016: £168), contributions totalling £Nil (2016: £Nil) were payable to the personal pension funds at the balance sheet date and are included in creditors.

18. RELATED PARTY TRANSACTIONS

The Friends of Mid Wales Opera is run by a small group of volunteers who manage a number of fundraising events during the year. Friends' activities are reflected in the Charity's accounts. Income from subscriptions, donations and ticket sales in the year to 31 March 2017 total £3,500 (2016: £3,669) less deduction of fund-raising expenses, this resulted in a net contribution to the Charity of £1,243 (2016: £1,815). Patrons contributed a further £4,640 (2016: £2,515).

19. CONTROLLING PARTY

The Charitable company is controlled by its Trustees, who are listed on page 1 of these accounts.