

Charity Registration No. 261403

Company Registration No. 00982535 (England and Wales)

OPERA RARA
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

OPERA RARA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C Alexander	
	G Hurstfield	
	S Mortimore QC	
	A Nicol	
	I Oliva Salinas	
	N Thomas	
	L Watt	(Appointed 3 June 2020)
Chief executive officer	H Little	
Secretary	H Little	
Charity number	261403	
Company number	00982535	
Registered office	11 Cloisters House Battersea Park Road London SW8 4BG	
Independent examiner	Joel Courts c/o HW Fisher LLP Chartered Accountant Acre House 11-15 William Road London NW1 3ER	
Bankers	National Westminster Bank 218 Upper Street London N1 1SA	

OPERA RARA

CONTENTS

	Page
Trustees' report	1 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Statement of cash flows	10
Notes to the financial statements	11 - 21

OPERA RARA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the Charities SORP (FRS 102) (effective from 1 January 2019).

Objectives and activities

Opera Rara's mission is to rediscover, restore, record and perform the forgotten operatic masterpieces of the 19th and early 20th centuries. Led by our Artistic Director, Carlo Rizzi our commitment to excellence is achieved through the highest musical standards. With every project, Opera Rara creates a new permanent work of art via a studio recording of the highest artistic and technical quality. Opera Rara is not simply a recording label; it is also a company that presents first class concert performances in major concert halls and opera houses including the Royal Opera House, Covent Garden, Royal Festival Hall, the Barbican and the Royal Albert Hall.

"Any lover of opera should be grateful for the existence of Opera Rara. This unique organisation provides an indispensable service, bringing neglected gems of the 19th century to 21st century audiences. Without Opera Rara, countless musical treasures would remain essentially lost, unheard and unappreciated by contemporary and future audiences". Renée Fleming, soprano.

"Opera Rara is virtually the only company still making studio recordings of complete operas while still seeking technical perfection in respect of vocal, stylistic and textual authenticity". The Financial Times

Achievements and performance

In September 2020, we released *Anima Rara*, the debut recital recording by Ermonela Jaho, one of the world's greatest verismo sopranos. The recording has won high praise since its release, winning the Vocal category of the International Classical Music Award. It has also been nominated for Solo Album of the Year and Ermonela Jaho has been nominated for Singer of the Year by the prestigious German Opus Klassik Awards. *Anima Rara* has also been nominated for a Gramophone Award and is currently in a shortlist of 6 finalists. The album was also featured as a '2020 recording of the year' by the Presto Classical store, one of the largest physical CD retailers in the UK. As of the end of July 2021, the recording has sold 2,135 CD units so far since its release and has been streamed and downloaded a total of 141,236 times generating a total of £14,415.92 in revenue.

"Listening to Anima Rara is a joyful voyage of discovery that reflects Opera Rara's mission to unearth and record forgotten operatic gems. [...] Jaho brings a powerful high register and vibrant presence to the roles, and at the same time conveys the fragility of the characters in their troubled lives." 5 stars - Sunday Express

"Part of "Opera Rara at 50," (2020 marks the label's fiftieth anniversary) this is an exemplary example of how an intelligent idea behind a vocal recital results in a listening experience that is both cogent and stimulating." - Classical Explorer.

In January 2021, we released our recording of Donizetti's opera *Il Paria*. In collaboration with the Britten Sinfonia, *Il Paria* was Opera Rara's 27th Donizetti opera recording, our 42nd new performing edition and the final project for Sir Mark Elder as Opera Rara's Artistic Director. *Il Paria* has received high praise since its release and was selected as Album of the Week by Presto Classical and the German BR Klassik radio network and Editor's Choice of the Month by Limelight magazine in Australia. It has been nominated for the 19th Century Opera Recording of the Year by Opus Klassik. As of the end of July 2021, the recording has sold 1,535 units so far since its release and has been streamed and downloaded a total of 36,489 times generating a total of £18,133.88 in revenue.

"As always, Opera Rara has done the long-neglected opera proud, fielding a fine cast together with the Britten Sinfonia under Mark Elder and furnishing the set with a lavish booklet of a standard that is rarely seen these days." - The Financial Times.

"There's no question about it: at the next opportunity, this perfectly structured, magnificent opera deserves a proper staging. The British recording company Opera Rara has proven once again that they have a nose for finding hidden musical treasures. With Il Paria, they have brought to light an astonishing find." - BR Klassik Radio Network, Germany.

OPERA RARA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Transitioning our focus over the past year to widen our digital offerings, we grew our online presence through the creation of video series, online talks, a new 50th anniversary Opera Rara playlist and a new digital series of 'Album of the month' introduced by a significant Opera Rara artist or associate. This movement from physical performance to digital offerings helped us engage further with our audience throughout lockdown, and it grew and cemented our connections with our international members. The series featured a 50-year retrospective by Carlo Rizzi in talks with major singers and artists from each of the five decades of our history. Alongside this series, we hosted online discussions such as The Art of Conducting led by Carlo Rizzi and held virtual launch events for our two album releases with question and answer sessions with artists, production partners, press and supporters.

To best consolidate our growing library of digital offerings, we have developed a new online donor portal called 'My Opera Rara'. This new hub on our website gives our members the ability to further connect with our work, giving them access to our documentary film series, previous filmed events, interviews with artists and filmed Zoom discussions. 'My Opera Rara' brings our extensive resource of documentary video and audio material about our work to one centralised location demonstrating to our donors (who have exclusive access to it), the impact of their support enabling us to continue our ongoing work of live operatic archaeology.

Future plans

The continuing impact of the global Covid 19 Pandemic caused the Board to fundamentally review our plans for the coming year.

In January 2020, we completed our 43rd performing edition with Donizetti's *Il furioso all' isola di San Domingo*. It is intended to be our 28th Donizetti recording, and the new performing edition was completed by the young Italian musicologist Eleonora Di Cintio. The rescheduled performance of this work was set to take place at the Barbican on 8 July 2021. This was cancelled by the Barbican, and we remained committed to the studio recording. Due to continued complications of the Coronavirus Pandemic, we have been forced to postpone the recording to a later date. We now plan to present this work in public concert and a studio recording in the first part of 2023.

Having not recorded any new material since Anima Rara in November 2019, we have launched a new 'Opera Rara Classics' brand, consisting of previous recordings which have been unavailable in physical CD format for several years. The first release in September 2021 will be a 7 remastered CD set of three Donizetti titles: *Ugo conte di Parigi*, *Il diluvio universale* and *L'assedio di Calais*, under the title of Donizetti in the 1830s. The second release in January 2022 will be an 8 remastered CD set of three recordings of Rossini operas: *Bianca e Falliero*, *La donna del Lago* and *Ermione*, under the title of Rossini in 1819. Both sets will be marketed at budget prices. The exercise will indicate the potential customer demand for further releases of previously recorded unavailable compilations in this new strand for Opera Rara.

Throughout 2020 and into early 2021, we created a new performing edition of a rediscovered opera by Saverio Mercadante, *Il Proscritto*. This manuscript was discovered by Opera Rara's Artistic Dramaturg Roger Parker and our Artistic Director Carlo Rizzi. The manuscript was found in a library in Milan and was digitised and restored by Roger Parker and Ian Schofield. The score which has very seldom been heard since its premiere in Naples in 1842, will be recorded in the studio and performed at the Barbican Centre in June of 2022 in partnership with Britten Sinfonia.

We also plan to make a new studio recording followed by a public concert in early December 2021, of Leoncavallo's one act opera: *Zingari*. We plan to reconstruct the original version of the score which was premiered in 1912 in London. This will be Carlo Rizzi's first recording with us since joining as our Artistic Director in 2019 and will mark a return to our collaboration with the Royal Philharmonic Orchestra. We have assembled a very strong cast alongside our own Opera Rara Chorus. The recording will be released in September 2022.

Sales

Sales from our recordings were budgeted to achieve £78,800 and the final income for the year was £77,924 including physical CD's and digital downloads and streaming. We released a recording during the year of Anima Rara in September 2020 and *Il Paria* in 2021.

Physical sales of CD's increased by the previous year and achieved 96% of budget. Digital sales (streaming and downloads) continued the trend of the previous year, being ahead of budget. However, digital sales currently account for just over 15% of total sales revenue. We have set a budget of £72,650 for the year to 31st March 2022.

OPERA RARA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Fundraising

As a charity, Opera Rara is reliant on fundraising to enable us to achieve our charitable outcomes.

Fundraising income for the year was £838,310: (2020: £183,021).

Opera Rara's strategy is to concentrate on the cultivation of high-net-worth donors both in the UK and abroad.

During the year, we opened up a new tier of higher level giving called the Guardian Society. The Guardian Society is for annual donors of £100,000 or more. Opera Rara was successful in securing two members to the Guardian Society, and both members have made multi-year pledges. During the year, this tier of giving generated £600,000 in contributed revenue.

In commemoration of our 50th Anniversary, we launched a campaign in the last 30 days of your fiscal year in March 2021 to grow our membership base. The "50 for 50 Campaign" aimed to bring in 50 new members into the Opera Rara family. With the matching support of our Trustees, we saw 52 new/re-engaged members join and had 5 donors increase their annual donations. The campaign generated a total of £31,308 in donations.

During the year, efforts were also made to increase the number of smaller regular donors. There was an increase in the number of our members who are also donors, from 40 to 105 members, a growth of over 150%.

Support from Trusts and Foundations included the scheduled drawdown of £85,000 from the award from The Foyle Foundation (for the transfer of our archive to the Royal Welsh College of Music and Drama). In March 2021, a new three year award was made from the John Ellerman Foundation, of £120,000, paid in three annual equal instalments of £40,000 starting in April 2021. We received an award of £1,920 from the Fidelity Foundation to fund improvements to our IT infrastructure and our website.

Trustees review the delivery of our fundraising targets against budget at each quarterly Board meeting. Trustees pay close attention to ensure that the costs of our fundraising are accurately explained and managed.

Trustees would like to express their profound thanks to all our supporters who donated to the Opera Rara during the year.

Staff and operational structure

Henry Little continued to serve the charity as its Chief Executive, reporting to the Board of Trustees. Henry comes from a varied background in the opera industry, working initially as a Resident Director at Glyndebourne, The Royal Opera and English National Opera, an Artist Manager and Company Administrator and a ten-year period as Head of Opera at Arts Council England. More recently, he was Chief Executive of Orchestras Live, a National Portfolio Organisation of Arts Council England. Aurelie Baujean whose extensive experience of the classical recording industry is an asset to Opera Rara continued in the role of Label and Production Manager. Irene Cook continued as our experienced Finance Director. In January 2021, Zachary Vanderburg joined us from Lyric Opera of Chicago as our Development Manager.

The charity engages the services of several consultants on a freelance basis. These include a Development Consultant, a Repertoire Consultant, Sales and Marketing Consultant, Casting Consultant and an Artistic Director. An external Press and PR agency handle our communications.

Public Benefit

Trustees of a charity have a duty to report in their Annual Report on their charity's public benefit. Opera Rara's work benefits the general public through its expertise at rediscovering, recovering, restoring, recording and performing the forgotten operatic heritage of the 19th and early 20th centuries.

The trustees have considered the charity's public benefit and concluded:

1. That the aims of the organisation continue to be charitable;
2. That the aims and the work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
3. That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
4. That there is no detriment or harm arising from the aims or activities.

OPERA RARA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

Total incoming resources amounted to £930,420 (2020: £353,797) of which £838,310 was from fundraising, £560 from bank interest and £91,550 from sales and other income. Total resources expended were £339,177 (2020: £696,518) of which £37,359 was spent on raising funds, £30,997 on marketing and publicity and £250,823 on charitable activities. Net incoming resources for the year amounted to £591,243 (2020: -£342,721).

Total funds carried forward at the balance sheet date amounted to £695,085 (2020: £103,842), divided into restricted funds of £58,354 (2020: £7,501) and unrestricted (including designated) funds of £636,673 (2020: £96,341).

Policy on Reserves:

As a registered charity, Opera Rara does not attempt to generate profits. The majority of its funding, from individual funders and Trusts and Foundations is received in advance of expenditure.

Opera Rara is reliant on income streams over which it has limited control and therefore needs to ensure that its core operational costs can be covered for an appropriate period, should any of the income streams be unexpectedly reduced or delayed.

A further policy is to maintain sufficient unrestricted funds to cover a minimum of six months of overhead costs. Free unrestricted funds (unrestricted funds excluding designated funds, stock and fixed assets) of £582,710 at 31 March 2021 is sufficient to meet this policy objective.

It was an essential priority for us to restore our financial reserves to a healthy position to enable us to deliver our artistic plans within already secured or at least pledged and anticipated resources. By March 2021, we needed to raise at least £324,433 in fundraising, in addition to an already agreed further £85,000 grant from the Foyle Foundation. We exceeded this target during the year by £428,877. We have also set a target of raising a further £530,000 in fundraising in addition to an additional agreed grant of £85,000 from the Foyle Foundation by March 2022. These are substantial sums which are very ambitious in the current climate. At the date of the signature of this report, we have already received sums and pledges amounting to £412,764. Our efforts are concentrated on a small number of individual donors who know Opera Rara well and are strongly committed in principle to an increased level of giving over a longer minimum four year period in order to support our programme. We are also committed to significant growth of our lower level membership base.

Risk management

The Board is responsible for the overseeing of the risks faced by the charity. Detailed considerations of risk are delegated to the Senior Management Team. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis. Risk is managed under the headings of artistic reputation, financial sustainability and project planning and delivery.

- **Artistic Reputation:** The charity's success is built on its reputation for the excellent quality of its recordings and public performances. We manage the risk of a decline in artistic quality which in turn would compromise our ability to raise funds through an advance planning process, usually several years before an actual project begins, when we identify works that we believe merit rediscovery, restoration, recording and performance. We work closely with our Repertoire Consultant, who is acknowledged worldwide as a leading figure in 19th and early 20th century opera, who advises us on our planning. Our casting consultant is engaged to help us secure the services of the world's leading opera singers to work with us.

We ensure that our data, name, image logo and intellectual property are protected.

- **Financial sustainability:** Annual budgets are developed and presented to the Board for approval. A detailed analysis of actual financial performance against budget is reported to the Board at each quarterly trustee meeting. As a charity, which is very strongly reliant on private donations to support its work, we pay particularly close attention to our fundraising performance against budget and plan contingency measures to deal with any shortfall.

We have effective systems in place to ensure that we follow the Code of Fundraising Practice and that our fundraising aims and achievements are clearly communicated to the public and to our family of donors and supporters.

- **Project planning and delivery:** Our projects are planned usually several years in advance and are regularly reviewed by the Senior Management Team to ensure that they are on target and achievable. As a small team, we are able to react quickly to issues that arise with our projects and are able to make alternative plans at very short notice.

OPERA RARA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Through the risk management processes established for the charity, the Board are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognized that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. The trustees do not feel any further actions or provisions are required at the present time.

Structure, governance and management

The charity is a company limited by guarantee and was incorporated on 19 June 1970. It is governed by a memorandum and articles of association which were amended on 1 September 1998, 1 September 1999 and 16 May 2001. The charity's objects are the advancement of public awareness of the study of operatic art - in particular by encouraging and promoting the lesser known works in that field, and the broadening of the training of singers and artistes by presenting them in the performance of operatic and orchestral recordings and concerts.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C Alexander	
A Bunker	(Deceased 19 April 2021)
G Hurstfield	
S Mortimore QC	
A Nicol	
I Oliva Salinas	
N Thomas	
L MacLeod-Miller	(Resigned 3 June 2020)
L Watt	(Appointed 3 June 2020)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

A Board of Trustees who provide their services to the charity on a voluntary basis manages the charity. The Board of Trustees has appointed a Chief Executive Officer who is responsible for the day-to-day operation of the company and leads the management team. The Chief Executive reports directly to the Board of Trustees.

The existing trustees have the power to appoint new trustees. At the end of each period of office, trustees are eligible for re-election. The minimum number of Trustees is three.

Opera Rara operates with a lean and efficient senior management team of four led and managed by the Chief Executive. The Board, none of whom is remunerated for their services to the charity, set the pay and remuneration of the senior staff, which is kept under annual review. The key criteria used in setting pay are:

- nature of the role and responsibilities
- competitor salaries benchmarked against other similar charities
- performance measured by regular review meetings

Asset cover for funds

Note 17 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund-by-fund basis.

OPERA RARA

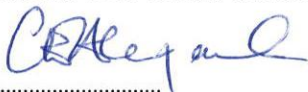
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Going Concern

The trustees have considered the effect of the prolonged Covid-19 pandemic, that has been spreading in the UK and throughout the world since early 2020, on Opera Rara's activities. The pandemic and measures taken by the government to respond to it have disrupted Opera Rara's activities, but, at the date of approval of these financial statements, the effect on its income and financial position has not been significant and the extent and quantum of continuing disruption remains uncertain. Opera Rara differs from other opera companies because it buys in artistic resources for specific projects rather than incurring those resources as part of our fixed costs. Our fixed costs remain relatively small and focussed on our premises cost and the cost of salaries for our full-time staff of three people. No staff have been furloughed during the period of the pandemic because their work is essential to the ongoing running of the charity and the release of our current recordings and the preparation of future ones. The resulting effect of our decision to postpone all new recording and performing activity to the next financial year (to 31st March 2022), means that we will spend less money and, compared to many other organisations, we will not spend down our reserves to cover substantial fixed costs during an inevitable decline in earned income. Our trustees are confident that the organisation can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. Furthermore, based on our most recent set of Management Accounts and Cash Flow forecasts to 31st March 2022, the trustees have a reasonable expectation that Opera Rara has adequate resources to continue in operation for the foreseeable future.

On behalf of the Board of Trustees



C Alexander

Trustee

Dated:

13/09/2021

OPERA RARA

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF OPERA RARA

I report to the trustees on my examination of the financial statements of Opera Rara (the charity) for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.


Joel Courts

c/o HW Fisher LLP
Chartered Accountant
Acre House
11-15 William Road
London
NW1 3ER

Dated:

13/09/2021

OPERA RARA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income from:							
Voluntary Income	3	844,860	85,000	929,860	242,038	109,471	351,509
Investments	4	560	-	560	2,288	-	2,288
Total income		845,420	85,000	930,420	244,326	109,471	353,797
Expenditure on:							
Raising funds	5	68,354	-	68,354	92,863	-	92,863
Charitable activities	6	236,676	34,147	270,823	492,199	111,456	603,655
Total resources expended		305,030	34,147	339,177	585,062	111,456	696,518
Net income/(expenditure) for the year/							
Net movement in funds		540,390	50,853	591,243	(340,736)	(1,985)	(342,721)
Fund balances at 1 April 2020		96,341	7,501	103,842	437,077	9,486	446,563
Fund balances at 31 March 2021		636,731	58,354	695,085	96,341	7,501	103,842

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

OPERA RARA

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		3,417		2,359
Current assets					
Stocks	11	50,546		53,135	
Debtors	12	81,951		66,167	
Cash at bank and in hand		844,515		359,991	
		977,012		479,293	
Creditors: amounts falling due within one year	13	(285,344)		(377,810)	
Net current assets			691,668		101,483
Total assets less current liabilities			695,085		103,842
Income funds					
Restricted funds	15		58,354		7,501
Unrestricted funds			636,731		96,341
			695,085		103,842


The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 13/09/2021



C Alexander
Trustee

Company Registration No. 00982535

OPERA RARA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19		486,456		(358,362)
Investing activities					
Purchase of tangible fixed assets		(2,492)		(779)	
Investment income received		560		2,288	
Net cash (used in)/generated from investing activities			(1,932)		1,509
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			484,524		(356,853)
Cash and cash equivalents at beginning of year			359,991		716,844
Cash and cash equivalents at end of year			844,515		359,991

OPERA RARA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Opera Rara is a private company limited by guarantee incorporated in England and Wales. The registered office is Studio 11 Cloisters House, 8 Battersea Park Road, London, SW8 4BG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Trustees have considered the effect of the prolonged Covid-19 outbreak. The Trustees consider that the outbreak is unlikely to cause a significant disruption to the organisation's activities and are confident that the organisation can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. The Trustees have a reasonable expectation that the organisation has adequate resources to continue in operation for the foreseeable future.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

OPERA RARA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised on an accruals basis, inclusive of value added tax.

Costs of generating funds are those costs incurred in attracting voluntary income, in particular grant funding and the costs of maintaining the charity's profile within the sector.

Expenditure relating to Opera production costs are those elements of expenditure directly incurred in performing these activities.

Governance costs include those costs incurred in the governance of the charity's assets and are primarily associated with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	33% reducing balance basis
Fixtures, fittings & equipment	15% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

OPERA RARA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

OPERA RARA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stocks

Stocks of CDs are valued at the lower cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand and the promotional, competitive and economic environment.

3 Voluntary Income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	753,310	85,000	838,310	73,550	109,471	183,021
Incoming resources from charitable activities	91,550	-	91,550	168,488	-	168,488
	<u>844,860</u>	<u>85,000</u>	<u>929,860</u>	<u>242,038</u>	<u>109,471</u>	<u>351,509</u>

OPERA RARA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest received	560	2,288

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Costs of generating voluntary income</u>		
Staging fundraising events	31,958	51,331
Staff costs	5,400	-
	<u>37,358</u>	<u>51,331</u>
Costs of generating voluntary income	37,358	51,331
<u>Marketing and publicity</u>		
Other activities	30,996	41,532
	<u>68,354</u>	<u>92,863</u>

OPERA RARA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activities

	Opera production costs 2021 £	Opera production costs 2020 £
Staff costs	177,331	178,463
Depreciation and impairment	1,434	1,362
CD Manufacturing	21,978	26,763
Travelling	109	21,498
Bank charges	1,294	1,541
Performers and coaches	1,000	225,271
Engineers and editing	5,400	17,626
Hire of studios	-	21,686
Music preparation	8,500	39,243
Artwork and photography	4,055	4,270
Royalties paid	-	1,585
Opera Rara Direct	-	2,593
Opera research	-	417
Stock movement	2,589	7,595
	<u>223,690</u>	<u>549,913</u>
Share of support costs (see note 7)	38,767	45,101
Share of governance costs (see note 7)	8,366	8,641
	<u>270,823</u>	<u>603,655</u>
Analysis by fund		
Unrestricted funds	236,676	492,199
Restricted funds	34,147	111,456
	<u>270,823</u>	<u>603,655</u>

OPERA RARA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Rent & rates	20,744	-	20,744	24,438	-	24,438
Insurance, light & heat	2,025	-	2,025	1,811	-	1,811
Repairs & maintenance	68	-	68	1,252	-	1,252
Printing, postage & stationery	2,731	-	2,731	4,412	-	4,412
Telephone & website costs	8,637	-	8,637	8,204	-	8,204
Travelling	14	-	14	1,695	-	1,695
Subscriptions	2,359	-	2,359	1,522	-	1,522
Bank charges	390	-	390	229	-	229
General expenses	1,799	-	1,799	3,015	-	3,015
Bad debts	-	-	-	(1,477)	-	(1,477)
Accountancy	-	2,526	2,526	-	3,491	3,491
Legal and professional	-	500	500	-	-	-
Independent examination fees	-	5,340	5,340	-	5,150	5,150
	<u>38,767</u>	<u>8,366</u>	<u>47,133</u>	<u>45,101</u>	<u>8,641</u>	<u>53,742</u>
Analysed between						
Charitable activities	<u>38,767</u>	<u>8,366</u>	<u>47,133</u>	<u>45,101</u>	<u>8,641</u>	<u>53,742</u>

Governance costs includes payments to the independent examiners of £5,340 (2020 : £5,150) for independent examination fees, and £500 (2020 : nil) for other services.

Support costs include operating lease payments in respect of the property of £17,000 (2020 : £17,000).

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or reimbursed expenses during the year.

OPERA RARA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Management and fundraising	4	3

Employment costs

	2021 £	2020 £
Wages and salaries	164,127	159,644
Social security costs	11,399	11,873
Other pension costs	7,205	6,946
	182,731	178,463

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£70,000 - £80,000	1	1

The chief executive officer received a total remuneration of £81,000 (2020: £80,210)

10 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2020	4,603	43,720	48,323
Additions	2,492	-	2,492
At 31 March 2021	7,095	43,720	50,815
Depreciation and impairment			
At 1 April 2020	2,740	43,224	45,964
Depreciation charged in the year	1,334	100	1,434
At 31 March 2021	4,074	43,324	47,398
Carrying amount			
At 31 March 2021	3,021	396	3,417
At 31 March 2020	1,863	496	2,359