

**ENGLISH TOURING OPERA LIMITED**  
**(A company limited by guarantee)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**Charity Number: 279354**  
**Company Number: 1458501**

## ENGLISH TOURING OPERA LIMITED

### REFERENCE & ADMINISTRATIVE DETAILS FOR YEAR ENDED 30 JUNE 2022

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#### DIRECTORS AND TRUSTEES

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

The Trustees that served during the year are as follows:

Mark Beddy	Chair; resigned on 30 Sep 2022 at the end of the Board service term
David Burke +	Resigned 30 Sep 2022 at the end of the Board service term
Bill Bush +	Appointed Deputy Chair on 1 October 2022
Anita Datta	
Jane Davies OBE	
David Ereira	
Darren Joyce	
Abigail Kelly	
Laura Liede +	Chair of Finance Committee
Clarissa Meek	
Trevor Moross	
Peter Puskas	
Syed Rahman	Appointed 7 <sup>th</sup> June 2021, resigned June 2022
Mark Rhodes	Appointed 19 March 2022
Richard Salter KC +	
Leonora Thomson	Deputy Chair until 30 September 2022; appointed Chair on 1 October 2022

+ Indicates a member of the Finance Committee

#### COMPANY LEADERSHIP

##### DIRECTOR

Robin Norton-Hale

##### COMPANY SECRETARY

Jo Faulkner-Harvey

##### WEBSITE

[www.englishtouringopera.org.uk](http://www.englishtouringopera.org.uk)

##### PRINCIPAL OFFICE

Mountview, 120 Peckham Hill Street, London, SE15 5JT

##### REGISTERED OFFICE

Mountview, Unit 1, Peckham Hill Street, London, SE15 5JT

##### AUDITORS

Haysmacintyre LLP

10 Queen Street Place, London, EC4R 1AG

##### BANKERS

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

## INTRODUCTION

2021/22 has been a year of rebuilding and regeneration at English Touring Opera. Autumn 2021 saw the company performing live again, with a single work – Handel's *Amadigi* – in order to responsibly return to touring following the pandemic. All involved were delighted to be on the road again with live work, and our audiences were also thrilled to see us back in full-scale action. A bigger tour in Spring 2022 – with Puccini's *La bohème* and Rimsky-Korsakov's little performed but thrilling *The Golden Cockerel* alongside substantial learning and participation work – saw us regaining full strength.

Having pivoted to online work during the pandemic, which enabled us to keep closely in contact with, and provide work for freelance practitioners, we continued to use what we have learnt from this and produced Elena Langer and Glyn Maxwell's *Ariadne*, Copland's *12 Poems of Emily Dickinson*, and Ferrandini's *Il pianto di Maria* amongst other films.

Above all the 2021-22 year has been the year of substantial change in terms of the people involved with the company – both full-time staff and freelancers.

We bade farewell to James Conway after 21 years with the company. He bowed out formally as artistic director in December 2022 and returns to direct Handel's *Giulio Cesare* with the company in Spring 2023. James' knowledge, commitment, creativity and passion has taken the company to new artistic heights and has secured its reputation as a vital part of the opera ecosystem in the UK.

We welcomed Robin Norton-Hale as our new General Director, appointing her in April 2022 after a rigorous and competitive recruitment process. Robin, a talented director, joined us from OperaUpClose, but having worked for ETO earlier in her career, already has a strong bond with the company. She started with us part-time from June 2022 and in September took up the reins full-time. In addition to her responsibilities leading the company, she wrote the libretto for *Tutankhamen's Shoes* – a highly-regarded production for Key Stage 2 (ages 7-11) which had a sold-out run at Polka Theatre before touring to schools in Autumn 2022. She will direct her first main-stage opera for ETO in Autumn 2023.

Our thanks go to Michael Garvey, who acted as Interim CEO between January and September 2022, and whose wisdom and experience helped the company emerge from the pandemic. At a time of significant turnover in the staff body, and Michael saw us calmly and assuredly through this period.

Financially we have managed the risks caused by continuing uncertainty post-pandemic and rising costs in the high inflation climate this year. We have drawn down from our significant reserves, in particular to support the high costs of touring, and we will continue to use our designated reserves in accordance plans drawn up by the executive and finance committee over the coming years. We are particularly grateful to Arts Council England for their ongoing funding and support, and welcomed recent news of an uplift in funding, linked to our moving our office base out of London over the next two years. Our intention is to increase the amount and proportion of fundraised income for the company, which should complement our Arts Council funding and ensure our financial sustainability. I am confident that with the new team, and the engaging vision of the new General Director, we can make this happen.

Mark Beddy stepped down as Chair of the Board of Trustees in September 2022 and David Burke, Ursula Owen and Syed Rahman stepped down as trustees. We are hugely grateful to Mark for having steered the company in times of uncertainty and upheaval and we know he will continue to be a great friend of ETO's. I was appointed to the Board as Deputy Chair in June 2021 and it was a great honour to be asked to take over as Chair in October 2022. I look forward to working with the Trustees and the General Director and her team to take the company forward into this new era.

Leonora Thomson

**Chair of Trustees**  
**January 2023**

**The Trustees present their report and financial statements for the year ended 30 June 2022**

## **OBJECTIVES AND ACTIVITIES**

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

The objectives can be split into three sections:

### **Artistic Objectives:**

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

### **Learning and Participation Objectives:**

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

### **Promotional and Development Objectives:**

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

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

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

## ACHIEVEMENTS AND PERFORMANCE

### AUTUMN 2021 SEASON

We returned to live performances in Autumn 2021 with a tour of Handel's magic-opera *Amadigi* to 12 venues across the UK, for a total of 18 performances. With a cast of 4 principal singers and a role for a young performer, cast from local children at each of the venues, this programming choice continues ETO's strong strand of Baroque and early music, partnering with our period instrument ensemble, the Old Street Band.

Performances: 18

Audience: 4,437

This was an 'easing in' of a return to live performance, touring one theatre production instead of our usual two or three, and with contingencies built in for COVID-19.

With the benefit of hindsight, we had not anticipated the continuing impact that the COVID-19 pandemic would have on audience behaviour – our targets were broadly in line with ETO's pre-pandemic audience and box office performance, and we fell comfortably short (40% of capacity against a historical average of 61% for Handel operas). Part of this can be attributed to touring only one, relatively unknown opera, but the impact of COVID was also clear. Research from the Audience Agency for June – September 2021 found that only 29% of people surveyed were happy to return to theatres and cultural events with no reservations, 29% were unsure and 23% were not interested in returning to live performances until there were significant reductions in risk. This was particularly prevalent among the over 65s, who form a core part of ETO's audience.

### SPRING 2022 SEASON

In Spring 2022, we returned to a 'full' (pre-COVID output) tour, with a total of 34 theatre performances of Puccini's *La bohème* and Rimsky-Korsakov's *The Golden Cockerel*, alongside a 4-week semi-staged community engagement tour of 10 performances of Bach's *St John Passion*, featuring local community choirs on stage with professional principal soloists and orchestra.

*La bohème* was a revival of our successful 2015 production directed by James Conway, designed by Florence de Maré and conducted (in the revival) by Dionysis Grammenos.

Performances: 21

Audience: 10,652

*The Golden Cockerel* was a new production conducted by Gerry Cornelius, directed by James Conway and designed by Neil Irish.

Performances: 13

Audience: 4,516

The return to a full-scale tour was a mixed success – *La bohème* drew strong crowds across the tour, with sell-out houses in Poole, Durham, Bath and Exeter, and one of ETO's largest ever audiences at Norwich Theatre Royal. However, *The Golden Cockerel* did not sell consistently across the country, with excellent houses at Hackney, Cambridge, Bath and Exeter not matched elsewhere. Once again, COVID-19 had more of an impact than anticipated as the Omicron wave meant that willingness to return to theatres was slow to increase from the autumn. Overall, audiences were more likely to attend (39% with no reservations, up 10% from the autumn) than in our previous tour, but there were still 20% of people unwilling to attend due to the risk of COVID-19. However, despite a drop in the total number of performances over the year (34 theatre performances in Spring 2022 compared to 46 in 2019), and therefore a 24% drop in the total numbers of audience members, there are positive indications for ETO in terms of audience. Although our total audience drop of 24% was significant, this was an inevitable result of there being fewer performances for people to attend. On a per performance basis, our audience numbers are encouraging, especially in a period still affected by COVID-19 concerns, with more people coming to each performance on average in 2022 (447) than in 2019 (437).

The *St John Passion* was a semi-staged concert performance conducted by Jonathan Peter Kenny.

Performances: 10

Audience: 2,019

Participation was central to the Spring 2022 season. Across the tour we engaged with over 40 choirs, having over 1,200 people sing with us in the *St John Passion* and *La bohème*. A community choir member in Millom wrote to say:

"That was fantastic. When it started the hairs on the back of my neck stood up. I was not expecting that!"

The *St John Passion* was a great success, with the tour achieving its audience target of reaching 2,000 people. The involvement of local choirs was central to this, something that was particularly evident in Lichfield, London, and Millom; the community choirs were key to selling out the performances, often attracting people who had never heard of ETO or attended a classical performance before. The inverse was also evident with our one disappointing result at York Theatre Royal, where the performance was affected by difficulties with finding local choirs to perform in the project.

## LEARNING AND PARTICIPATION PROJECTS

### ***Back Into the World***

We set out to make a piece that was a 'light-touch' response to COVID and the challenges that young people have faced in this period. The feedback we got was very positive and suggested that our objectives were met.

"This was the first time our students have ever seen live musicians in the school, let alone sit in the school hall! The children I spoke to said they "loved it and want to watch it again" with many saying, "I want to be a singer". It certainly helped to develop their listening skills (which have had a big hit during Covid and online learning)." Teacher, Durham

Performances: 35

Audience (children): 3,085

### ***The Firebird***

*The Firebird*, written by Michael Rosen (words) and Noah Mosley (music), directed by Valentina Ceschi, was released on ETO at Home, Little Angel Theatre's YouTube channel, and Michael Rosen's YouTube channel.

This online co-production with the Little Angel Theatre has been a great success so far – it has been viewed 500 times on ETO at Home (our biggest release since the digital season last year), and 5,000 times in total across the three platforms. It was also a big hit on social media, with the trailer viewed nearly 6,000 times on Twitter alone.

The response has been very positive:

"A beautiful, moving and engaging piece, wonderfully sung. Great production!"

"This is absolutely enchanting. Congratulations to all of you involved!"

### ***Paper and Tin and How To Find Your Name***

Performances: 32 (*Paper and Tin*) / 19 (*How To Find Your Name*)

Audience (children): 3,053 / 1,480

*Paper and Tin* (for Key Stage 2) and *How To Find Your Name* (for audiences with Special Educational Needs and Disabilities) were well received across the tour reaching over 4,500 young people. This would have been higher, but because of COVID some schools were still running with reduced numbers in the audience, and we had to cancel 5 performances.

"Teachers have approached me to say how much they and their students got out of the performance. One teacher commented that she was surprised how long her Early Years class stayed attentive; another how one of her students who frequently turns her head away when offered stimulus, remained gazing forward throughout the performance, and another told me how one of her sixth form students was so moved and enthralled by the performance that he was tearful that it had to come to an end."

Teacher, Hall School, Norfolk

### ***Under the Little Red Moon***

*Under the Little Red Moon*, our online opera for babies, was released on ETO at Home on 2 March and has received over 700 views. We will be staging a live version of this show, reversing the more common 'live show adapted for online performance' model, in autumn 2023.

## DIGITAL PRODUCTIONS

We produced six films – three of which were for younger audiences – during the year, building on our digital strand of work which focuses on productions conceived especially for film, rather than on filmed versions of live stage productions. These were Elena Langer and Glyn Maxwell's *Ariadne*, Copland's *12 Poems of Emily Dickinson* and Ferrandini's *Il pianto di Maria* for a general audience, *Aidan* (inspired by *Amadigi*) for 8-12 year olds, *The Firebird* (a puppet opera) and *Under the Little Red Moon* for babies.

## OPERATIONS AND PERSONNEL

James Conway stepped down as General Director in December 2021. He remained as Artistic Director on a part-time basis until December 2022. We are so grateful to James for his commitment to delivering the best quality opera to our audiences all over the country, for the past 20 years, and wish him the very best in his next endeavours.

Michael Garvey was interim Chief Executive from January 2022, while we recruited for a new General Director.

Robin Norton-Hale was appointed as General Director in April 2022, and began working 1 day a week in June, rising to 2 days a week in July and then to full-time by mid-September. She and Michael will work together until September 2022.

## PLANS FOR FUTURE PERIODS

In Autumn 2022 our Handelfest will consist of three Handel operas, *Ottone*, *Agrippina* and *Tamerlano* (two revivals and one new production), plus an accompanying programme of recitals, talks and masterclasses. James Conway is the director for the productions. Rebecca van Beeck will design *Tamerlano*, the new production, and revive the other two productions. All three will be lit by Tim van't Hof.

We will tour our new commission about the life of Tutankhamun and the discovery of his tomb, *Tutankhamun's Shoes*, to primary schools, libraries, and museums including the Great Northern Museum and the Ashmolean. It is being written by composer Rosabella Gregory and writer Robin Norton-Hale.

Alongside the Handel festival we will provide Handel Project workshops, working with 14-16-year-olds to make their own mini-Handel pastiches. These young people will then be given tickets to see one of our operas on tour.

Spring 2023 will feature new productions of Rossini's comedy *Il Viaggio a Reims*, conducted by Jonathan Peter Kenny and directed by Valentina Ceschi, Donizetti's *Lucrezia Borgia*, conducted by Gerry Cornelius and directed by Eloise Lally, and a revival of Handel's *Giulio Cesare*, conducted by Sergey Rybcin and directed by James Conway. All three operas will tour to theatres, while our new participatory operas for Key Stage 2, *The Wish Gatherer*, and for children with SEND, *Zoo!*, will tour to schools, featuring singers from the theatre-based shows in the cast.

## FINANCIAL REVIEW

Our activities in 2021/22 resulted in an overall deficit of £560,677, compared to a prior year surplus of £1,251,760. During the year the income from productions increased significantly as FY20/21 was materially impacted by the COVID-19 pandemic and the company's ability to tour severely curtailed. Additional support from the Arts Council Cultural Recovery continued but at a lower level versus FY21. Fundraising income showed a 6% increase vs FY21 and, despite the termination of the furlough scheme, total income was 16% higher than the prior year as a result of the resumption of the Touring Programme.

## INCOME

Income for FY22 grew to £2,967,172 (FY21: £2,554,436), an increase of 16%. Arts Council income reduced overall as the level of funding from the Cultural Recovery Fund was £75,000 vs £175,000 in FY21. However, income from Touring and Productions increased by £311,874 with a full Spring Tour.

### Touring and Production Income

ETO's income generated from touring and production increased markedly on FY21 to £348,324 and was 16% up on FY20, the last comparable period.

### Arts Council England Income

ETO's FY22 financial year saw the final year of the National Portfolio Organisation (NPO) funding period from 1 April 2018 to 31 March 2022. During the year ETO received NPO funding of £1,783,417 (FY21 £1,743,322). In addition, ETO is grateful to ACE for the award of funding from round two of the Cultural Recovery Fund in May 2021 to cover costs associated with the creation and broadcasting of the Spring Digital Season. The total funding award was £250,000 of which the final £75,000 was received in 2021/22 and, in addition, ETO received a Strategic Touring grant of £24,875. Total income from ACE for FY22 was £1,883,292.

### Development Income

Development income (from Trust and Foundation grants, syndicates, and other private donations, and ETO's Membership scheme) totalled £399,426 (FY21: £389,650 and FY20: £438,308).

Of the total FY22 income, £164,200 (FY21: £35,550 and FY20: £124,216) was received from Trusts and Foundations to support ETO's Learning and Participation activity.

The remaining £79,000 of Trust Income supported ETO's core and mainstage activity (FY21: £205,069).

Individual donations accounted for 39% of Development income and 5% of income overall. Membership income increased slightly to £51,925 (FY21: £51,490).

### Support In-Kind

Poulton Hall Estate continues to kindly accommodate the company's larger set elements on a site in Oxfordshire.

### Creative Tax Reliefs

ETO claims Theatre Tax Relief on its mainstage and Learning and Participation productions and Orchestra Tax Relief on its concert activity. Income from the combined reliefs in FY22 was £306,561 (FY21: £50,040) representing 10% (FY21: 2%) of ETO's total income for the year. This Income stream increased materially due to the resumption of touring programme and preparation for tours in FY23 and a temporary increase in TTR rates.



## EXPENDITURE

ETO's expenditure for FY22 was £3,527,849 (FY21: £1,302,676), a significant increase as the organisation returned to pre-Covid levels of activity.

### Touring & Production Costs

Touring & Production costs grew to £1,978,916 in FY22, a significant increase on the prior year (FY21: £652,041) with full Autumn and Spring tours resuming and planning underway for the FY23 programme.

### Learning and Participation

Expenditure on Learning and Participation was £421,084 in FY22 (FY21: £157,949), a significant increase on the prior year, with the resumption of touring and much of the activity pivoting back from online delivery.

## NET MOVEMENT IN FUNDS

Overall, there was a reduction in funds of £560,677 (FY21: increase of £1,251,760).

Total reserves at the close of FY22 comprise:

- £15,012 (FY21: £14,012) in Restricted Funds
- £1,755,088 (FY21: £2,316,765) in Designated Funds
- £500,000 (FY21: £500,000) in General Risk Funds

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

### Financial Outlook

The COVID-19 pandemic required ETO, along with many other arts organisations, to rethink business planning for the FY22 and subsequent years. Notwithstanding this, the relaxation of Covid-19 restrictions and the reopening of our partner venues allowed a full touring schedule to be delivered for Autumn 2021 and Spring 2022.

ETO is financially underpinned by an annual Arts Council grant, the agreement for which runs until 31 March 2023. This reflects an extension of the current NPO agreement which had previously been due to finish in 2022.

On 4 November 2022 ACE announced its next Investment Programme for 2023-26. ETO was delighted to have been granted the funding we applied for over the next two years (2023-25), which included a 20% uplift to the current annual funding. ETO will continue to be part of the ACE's National Portfolio of regularly funded organisations and we have, along with a number of other London based organisations, joined the 'Transfer Programme'. For organisations in the Transfer Programme, the third year of funding in this NPO cycle (2025-26) is to be confirmed by ACE at a later date, depending on the next stages of that Programme.

ETO has committed to an in depth and wide-reaching feasibility study into moving ETO's office out of London at some point in this funding cycle. The organisation will be canvassing opinion from artists and audiences about the effects that potential relocation options might have on them, and we will be carefully costing the option. ETO is setting out to make an informed decision which will enable us to have the greatest positive impact on the widest possible audience. 85% of our work already takes place outside of London, so exploring the options of the Transfer Programme feels like a natural extension of our mission.

ETO will continue to make full use of Creative Tax Relief Schemes, together with any other schemes of support for the arts sector. We will continue with our ambitious fundraising strategy which seeks to support both the core costs as well as individual productions and learning and participation projects.

A budget has been set for the year financial year FY23 which draws down on designated funds built up over the past few years. Given the uncertainties in the funding and operational environment, ETO plans to continue to hold a healthy level of reserves which is crucial to the protection of the charity in the medium term.

## RESERVES POLICY

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

The company aims to retain general unrestricted (free) reserves of £500k which the Trustees anticipate will be sufficient to enable the company to continue to operate successfully and fulfil its Business Plan, provide liquidity in case of unexpected variations in revenue and other risks, and act as a contingency against winding up the company should the need arise. The Trustees and the company continuously monitor the level of the reserves and adapt the reserves policy as required to achieve appropriate level of liquidity to continue operations and settle the liabilities as they arise. In addition, the company retains in its unrestricted fund a contingency reserve for wind up costs should the need arise.

### Restricted Funds

Restricted Funds of £15,012 (FY21: £14,012) comprise:

- £10,282 to cover the depreciation of lighting equipment purchased with a capital grant generously donated by the Linbury Trust
- £4,621 towards bursaries for Young Artist Coaching
- £109 to cover a ticket scheme for two ETO Friends

### Designated Funds

At 30 June 2022, ETO has Designated Funds of £1,755,088 (2021: £2,316,765) allocated from unrestricted funds. These reserves have been built up from surpluses accumulated through successful touring over several years as well as significantly reduced costs in 2020 and 2021 as a result of national lockdown and inability to tour. As intended, a substantial part of the reserves accumulated to June 2021 were spent to support the strategic priorities set out for 2021 /22 financial year for opera on tour.

In 2021 the Trustees approved the designated funds allocation for the 2021/22 financial year. A total of £303,417 was allocated to support three areas of strategic activity: £185,417 was allocated to support the core touring activity, £68,000 to support and promote artistic dynamism and £50,000 to support digital audience development. Overall ETO draw £561,677 from its designated reserves in the 2021/22 financial year to support the above strategic aims. The area requiring the most significant support from the company reserves was the core touring activity which incurred higher costs than anticipated at the time of budget preparation, especially in the Spring 2022 season in an increasingly high inflation environment.

The company has considered a number of designated funds to support the charity's strategic priorities and continues to refine the investment plan taking into consideration the Transfer Programme and the potential outcome of the relocation feasibility study, to be carried out at some point during the current NPO funding cycle. The Trustees have approved the designated funds allocation to 2022/23 financial year at £624,166.

The allocation for the financial periods beyond June 2023 (as assigned in the company business plan) have been considered by the Trustees, however these will be subject to further Trustee approval along with the annual budget for each period. This will ensure that appropriate medium and long term plans and priorities are defined and planned in line with the strategic objectives of the company while retaining financial agility. The company has adopted a framework for designation, approval, delivery and review of the designated reserve spending with keyholders allocated to each designated fund. Regular investment reviews continue take place to assess the necessary resources to carry out investment projects, the associated spending and effective measurement of indicators of return on investment.

### General Risk Fund

At 30 June 2022, ETO holds £500,000 in general, free reserves (FY21: £500,000) to protect the charity from unforeseen risks in the medium to long term.

## RISK MANAGEMENT AND GOING CONCERN

### Financial risks

The Trustees have considered the primary financial risks detailed below, and the mitigating actions that ETO has taken to reduce the impact of these risks:

- Box Office income not performing to budget given the current economic climate. To mitigate against this ETO sets box office targets at prudent levels to reduce the impact of any underperformance of box office against budgeted targets and has included a contingency within its annual budget to allow for some income shortfall.
- Fundraising income not meeting targets. Income raised through fundraising accounts for circa 13% of total income per year not including statutory funding from ACE. To mitigate against the risk of not meeting income targets, ETO pursues a policy of targeting multi-year funding agreements to give more certainty to income receipt and constantly reviews the development pipeline both at leadership team and Trustee level.
- Production costs. At the current time there is a shortage of production freelancers available to fill required roles and post the initial impact of Covid-19 rates of remuneration have increased. To allow ETO to employ the required staff to deliver productions to the required artistic standard ETO has set aside designated funds to cover these potential cost increases while not compromising its artistic vision and standards.
- Cost base inflation and risk of overspend. In the overall high inflation environment of 2022 when UK CPI Index stood at 10.7% (Nov 2022 data) many of the company's fixed and variable costs were subject to a significant increase. Mitigation of higher costs has not been possible at all times, however ETO continues to review and select suppliers based on their cost efficiency and ability to deliver value for money. Regular budget reviews by each budget holder are performed and where appropriate, costs are adjusted in the company rolling forecasts.

### Operational risks

Theatre venues visited being under threat in terms of reduced income from Arts Council England, local authorities, other funders, and audiences potentially resulting in closure. The status of venues is kept under close review and deals are struck/implemented to minimise as much as possible the impact of risk on the company.

Illness suffered by ETO employees or freelancers, audience members or participants during ETO activity. Health and safety risk assessments are carried out and measures implemented for all ETO staff and freelancers, especially in relation to Covid-19. We work in conjunction with the venues to ensure that all regulations and health and safety policies applicable at the time of ETO's rehearsals and performances are fully implemented and adhered to.

### Going Concern

The Trustees have assessed the charity's ability to continue to adopt the going concern basis of accounting which contemplates the realisation of assets and the satisfaction of liabilities and commitments in the normal course of activity for foreseeable future. The ACE NPO grant allocation to 2025 along with the company cash flow projections, based on management estimates and judgements, indicate sufficient cash reserves to continue trading for the duration up to and beyond the current NPO grant period.

The Trustees have considered the charity's financial position, reserve levels, projections, estimates and related uncertainties and have concluded that there is a reasonable expectation that the charity will have sufficient resources to continue operations as a going concern in the medium term.

## INVESTMENT POLICY

Under the Memorandum and Articles of Association, the company has the power to invest in any way the Trustees think fit. The Trustees, having regard to the liquidity requirements of operating the company and to the reserves policy, have operated a policy of keeping available funds in an interest-paying deposit account and limited length treasury deposits, with an aim to achieve a rate of deposit interest which matches or exceeds inflation as measured by the retail price index. In the present interest rate environment, there is a gap between the aim of the investment policy and rates available in the market which meet the Trustees' objective of retaining adequate liquidity.

## APPROACHES TO FUNDRAISING

ETO's main source of Development income (voluntary income, excluding the public funds it receives from Arts Council England) is Trusts and Foundations, accounting for 61% of its development income and 8% of its income overall in 2021/22. Grant applications are made to these bodies based on careful research into grant funds available and assessment of their eligibility criteria against ETO's core objectives and the nature of each of its projects.

Income from individual donors, accounting for 39% of Development income and 5% of income overall, is solicited carefully. Direct approaches inviting contributions to specific campaigns are made only to sympathetic patrons who have expressed an interest in receiving such communication.

General opportunities to donate – such as making a one-off donation, contributing regularly via the ETO Friends scheme, or leaving a legacy – are publicised in ETO print literature (e.g. programmes), online on the ETO website and in its social media channels and on ETO's display screens at venues. ETO does not carry out – or commission from others – any telephone campaigns.

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

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

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

The liability of the members of the company is limited by guarantee. In the event of the company being wound up during the period of membership or within the year following, members are required to contribute an amount not exceeding £1. There were 15 members as at 30 June 2022 (30 June 2021:11).

### Appointment of Trustees

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

### Trustee induction and training

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

### Organisation

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

### Remuneration of key management

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

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

### Disclosure of Information to Auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information that has not been made available to the auditors for the purpose of carrying out statutory audit. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

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

Approved by the Trustees on 15<sup>th</sup> February 2023 and signed on their behalf by:



Leonora Thomson (Chair)



Laura Liede (Finance Committee Chair)

**Independent auditor's report to the Members of English Touring Opera Limited**

**Opinion**

We have audited the financial statements of English Touring Opera Limited for the year ended 30 June 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement, set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 & Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, Charities Act 2011, Health and Safety regulations and Tax and Employment legislation including theatre tax relief legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to income being recognised in the incorrect financial period, restrictions on income not being appropriately disclosed, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the end of the financial year; and
- Challenging assumptions and judgements made by management in their critical accounting estimates including the theatre tax relief debtor.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGLISH TOURING OPERA LIMITED  
FOR YEAR ENDED 30 JUNE 2022**

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with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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



Jane Askew (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre

10 Queen Street Place  
LLP, Statutory Auditor  
London  
EC4R 1AG

Date: 23.02.2023



ENGLISH TOURING OPERA LIMITED

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

FOR THE YEAR ENDED 30 JUNE 2022

		Unrestricted funds		Restricted funds	Total 30Jun 2022	Total 30Jun 2021
	Notes	General	Designated			
		£	£	£	£	£
<b>INCOME FROM:</b>						
<i>Donations &amp; Grants</i>	2	2,121,550	-	159,755	2,281,305	2,389,221
<i>Investments</i>		255	-	-	255	909
<i>Charitable activities</i>						
Touring and production		348,324	-	-	348,324	9,355
Learning and participation projects		22,483	-	-	22,483	-
Other		8,244	-	-	8,244	104,911
<i>Other income: Creative Tax Reliefs</i>		306,561	-	-	306,561	50,040
<b>Total income</b>		<b>2,807,417</b>	<b>-</b>	<b>159,755</b>	<b>2,967,172</b>	<b>2,554,436</b>
<b>EXPENDITURE ON:</b>						
<i>Raising funds</i>	3	264,038	-	-	264,038	199,921
<i>Charitable activities</i>						
Touring and production	3	2,781,977	-	60,750	2,842,727	944,806
Learning and participation projects	3	323,079	-	98,005	421,084	157,949
<b>Total expenditure</b>	3	<b>3,369,094</b>	<b>-</b>	<b>158,755</b>	<b>3,527,849</b>	<b>1,302,676</b>
<b>NET INCOME &amp; EXPENDITURE BEFORE TRANSFERS</b>		<b>(561,677)</b>	<b>-</b>	<b>1,000</b>	<b>(560,677)</b>	<b>1,251,760</b>
Transfers Between Funds		561,677	(561,677)	-	-	-
<b>NET MOVEMENT IN FUNDS</b>	11	<b>-</b>	<b>(561,677)</b>	<b>1,000</b>	<b>(560,677)</b>	<b>1,251,760</b>
Fund balances brought forward		500,000	2,316,765	14,012	2,830,777	1,579,017
<b>FUND BALANCES CARRIED FORWARD</b>	12	<b>500,000</b>	<b>1,755,088</b>	<b>15,012</b>	<b>2,270,100</b>	<b>2,830,777</b>

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

The annexed notes form part of these financial statements.

Full comparatives for the year to 30 June 2021 are shown in note 15.

ENGLISH TOURING OPERA LIMITED


BALANCE SHEET

FOR YEAR ENDED 30 JUNE 2022

	Notes	At 30Jun 2022	At 30Jun 2021
		£	£
<b>FIXED ASSETS</b>	7/8		
Tangible		108,101	95,855
Intangible		11,049	22,097
		<u>119,150</u>	<u>117,952</u>
<b>CURRENT ASSETS</b>			
Debtors	9	774,475	224,338
Cash at bank and in hand		1,727,403	2,658,991
		<u>2,501,878</u>	<u>2,883,329</u>
<b>CURRENT LIABILITIES</b>			
CREDITORS: amounts falling due	10	(350,928)	(170,504)
within one year			
<b>NET CURRENT ASSETS</b>		<u>2,150,950</u>	<u>2,712,825</u>
<b>NET ASSETS</b>		<u><u>2,270,100</u></u>	<u><u>2,830,777</u></u>
<b>REPRESENTED BY</b>			
Restricted funds	11	15,012	14,012
Unrestricted funds			
- Designated funds	11	1,755,088	2,316,765
- General risk funds	11	500,000	500,000
		<u><u>2,270,100</u></u>	<u><u>2,830,777</u></u>

The annexed notes form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 15<sup>th</sup> February 2023 and were signed below on its behalf by:



Leonora Thomson (Chair)



Laura Liede (Finance Committee Chair)

ENGLISH TOURING OPERA LIMITED

CASH FLOW STATEMENT

FOR YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Net cash provided by/(used in) operating activities	A	<u>(902,093)</u>	<u>1,395,721</u>
<b>Cash flows from investing activities</b>			
Interest income		255	909
Purchase of tangible fixed assets		<u>(29,749)</u>	<u>(22,933)</u>
Cash (used in) investing activities		<u>(29,494)</u>	<u>(22,024)</u>
Increase/(decrease) in cash and cash equivalents in the period		<u>(931,587)</u>	<u>1,373,697</u>
Cash and cash equivalents at the beginning of the period		2,658,990	1,285,293
Total cash and cash equivalents at the end of the period		<u><u>1,727,403</u></u>	<u><u>2,658,990</u></u>

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

	2022 £	2021 £
Income for the reporting period	(560,677)	1,251,760
<b>Adjustments for:</b>		
Investment income	(255)	(909)
Depreciation charge	28,551	33,278
Decrease in debtors	(550,137)	209,261
Increase / (Decrease) in creditors	180,424	(97,669)
Net cash provided by (used in) operating activities	<u><u>(902,094)</u></u>	<u><u>1,395,721</u></u>

NOTES TO THE ACCOUNTS

FOR YEAR ENDED 30 JUNE 2022

1. ACCOUNTING POLICIES

The principal accounting policies adopted are as follows:

a) *Basis of preparation*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

b) *Going concern*

The Trustees have assessed the charity's ability to continue to adopt the going concern basis of accounting which contemplates the realisation of assets and the satisfaction of liabilities and commitments in the normal course of activity for foreseeable future. The ACE NPO grant allocation to 2025 along with the company cashflow projections, based on management estimates and judgements, indicate sufficient cash reserves to continue trading for the duration up to and beyond the current NPO grant period.

The Trustees have considered the charity's financial position, reserve levels, projections, estimates and related uncertainties and have concluded that there is a reasonable expectation that the charity will have sufficient resources to continue operations as a going concern in the medium term.

c) *Income*

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

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

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

Government Coronavirus Job Retention grants are credited to the period for which they relate. There are no unfulfilled conditions to the grant, and there is no form of government assistance from which the entity has benefitted.

d) *Expenditure*

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

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

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

Governance costs consist of audit, legal and professional fees.

e) *Restricted funds*

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

f) *Unrestricted funds*

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

g) *Operating leases*

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

*h) Tangible fixed assets*

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

Leasehold Property – 25 years

Lighting equipment - 5 years

Furniture, fittings and equipment - 3 years

Intangible assets, website – 3 years

*i) Financial Instruments*

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

*j) Debtors*

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

*k) Cash at bank and in hand*

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

*l) Creditors and provisions*

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

*m) Employee benefits*

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

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

*n) Critical accounting judgements and key sources of estimation uncertainty*

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

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

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

ENGLISH TOURING OPERA LIMITED

NOTES TO THE ACCOUNTS

FOR YEAR ENDED 30 JUNE 2022

2. DONATIONS & GRANTS

	Unrestricted funds		Restricted funds		Total	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Arts Council England – General Grant	1,783,417	1,743,322	-	-	1,783,417	1,743,322
Arts Council England – Strategic Touring	24,875	-	-	-	24,875	-
Arts Council England – CRF2	75,000	175,000	-	-	75,000	175,000
Coronavirus Job Retention Grant	-	81,330	-	-	-	81,330
Trusts and Foundations	157,500	133,500	85,000	107,119	242,500	240,619
Donations and Friends	53,688	63,760	74,755	57,489	128,443	121,249
Gift aid	21,070	11,602	-	-	21,070	11,602
Legacies	6,000	16,100	-	-	6,000	16,100
	<b>2,121,550</b>	<b>2,224,614</b>	<b>159,755</b>	<b>164,608</b>	<b>2,281,305</b>	<b>2,389,222</b>

3. EXPENDITURE

	Direct Staff Costs	Other Direct Costs	Support & Governance Costs	Total	Total
	2022	2022	2022	2022	2021
	£	£	£	£	£
Raising funds:	66,132	5,626	192,280	264,038	199,921
Charitable activities:					
Touring and production:	238,558	2,123,467	480,702	2,842,727	944,806
Education and community projects:	71,098	185,174	164,812	421,084	157,949
	<b>375,788</b>	<b>2,314,267</b>	<b>837,794</b>	<b>3,527,849</b>	<b>1,302,676</b>

4. ANALYSIS OF SUPPORT & GOVERNANCE COSTS

	2022	2021
	£	£
Staff	197,829	190,476
Office & store rent	105,206	53,819
Other support costs	515,012	196,981
Governance costs	19,747	10,600
	<b>837,794</b>	<b>451,876</b>

Other support costs include exceptional costs of £148,628. In the summer of 2021, ETO for the first time for many years held orchestral auditions to expand the freelance pool from which the company draws its orchestral musicians. Regrettably, this process led to claims against the company, with which the company then had to deal. The costs (totalling £148,628) of this and of the associated specialist legal advice are reflected in the accounts for this year. At the request of the Board in May 2022, our interim Chief Executive conducted an internal review into these events. The recommendations of that review have been considered and largely adopted by the Board. In order to maintain and to enhance the company's reputation for excellence in performance, the company intends to continue (when appropriate) to expand the freelance pool from which it draws its orchestral musicians. These exceptional costs are not, however, expected to recur.

**ENGLISH TOURING OPERA LIMITED**

**NOTES TO THE ACCOUNTS**

**FOR YEAR ENDED 30 JUNE 2022**

Governance costs comprise audit fees.

**5. NET EXPENDITURE / INCOME FOR THE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
The net movement in funds is stated after charging:		
Auditor's remuneration - audit fee	12,000	10,600
- tax advisory	6,600	-
Depreciation - owned assets	28,552	33,279

No member of the Board of Trustees received any remuneration in respect of his or her services (FY21: £Nil).  
Reimbursed Trustee travel expenses related to carrying out their duties were £273 (FY21: Nil)

**6. STAFF COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
The total staff costs for the period were as follows:		
Permanent Staff Salaries	488,498	415,584
Social security costs	46,625	34,082
Pension costs	36,417	55,535
	<b>571,540</b>	<b>505,201</b>

No employee received annual remuneration above £60,000 per annum (FY21: No employee received annual remuneration above £60,000).

Director, James Conway received directing fees totalling £6,000 (2021: £4,500) for the Spring digital season 2022 in addition to his permanent staff salary.

Bradley Travis is employed on a part-time basis as Head of Learning & Participation. In addition, he received fees for directing and performing in ETO operas totalling £14,433 (FY21: £5,130).

Abigail Kelly (Board of Trustees) received £2,500 for her services on the Production How To Find Your Name (FY21: £2,786).

The average number of staff employed during the year was 13.7 (FY21 13.8).

Total Key Management Personnel compensation in the year, including employer national insurance contributions and pension contributions, was £204,538 (FY21: £144,587).

ENGLISH TOURING OPERA LIMITED

NOTES TO THE ACCOUNTS

FOR YEAR ENDED 30 JUNE 2022

7. TANGIBLE FIXED ASSETS

	Lighting	Furniture, Fittings & Equipment	Leasehold Improvements	Total
	£	£	£	£
<b>COST</b>				
As at 01/07/2021	35,316	92,306	93,592	<b>221,214</b>
Additions	-	29,749		<b>29,749</b>
As at 30/06/2022	35,316	122,055	93,592	<b>250,963</b>
<b>DEPRECIATION</b>				
As at 01/07/2021	33,957	87,658	3,744	<b>125,359</b>
Charge for the year	588	13,171	3,744	<b>17,503</b>
As at 30/06/2022	34,545	100,829	7,488	<b>142,862</b>
<b>NET BOOK VALUE</b>				
As at 30 June 2022	<b>771</b>	<b>21,226</b>	<b>86,104</b>	<b>108,101</b>
As at 1st July 2021	1,359	4,648	89,848	95,855

8. INTANGIBLE FIXED ASSETS

	Website	Total
	£	£
<b>COST</b>		
As at 01/07/2021	33,145	<b>33,145</b>
As at 30/06/2022	33,145	<b>33,145</b>
<b>DEPRECIATION</b>		
As at 01/07/2021	11,047	<b>11,047</b>
Charge for the year	11,048	<b>11,048</b>
As at 30/06/2022	22,095	<b>22,095</b>
<b>NET BOOK VALUE</b>		
As at 30 June 2022	<b>11,049</b>	<b>11,049</b>
As at 1st July 2021	22,097	22,097



**ENGLISH TOURING OPERA LIMITED****NOTES TO THE ACCOUNTS****FOR YEAR ENDED 30 JUNE 2022****9. DEBTORS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	59,691	10,700
Accrued income : Theatre Tax Relief	298,714	50,040
Prepayments and other accrued income	370,135	102,882
Other debtors	45,935	60,716
	<b>774,475</b>	<b>224,338</b>

**10. CREDITORS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	250,238	79,558
Accruals	40,706	11,884
Deferred income	28,670	67,185
Taxation and social security	29,031	1,406
Other creditors	2,283	10,471
	<b>350,928</b>	<b>170,504</b>

**ANALYSIS OF DEFERRED INCOME**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 July	67,185	-
Released to income in the period	(67,185)	-
Deferred in the period	28,670	67,185
<b>Closing balance</b>	<b>28,670</b>	<b>67,185</b>

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

ENGLISH TOURING OPERA LIMITED

NOTES TO THE ACCOUNTS

FOR YEAR ENDED 30 JUNE 2022

11. MOVEMENTS IN FUNDS

	As at 1-Jul-21 £	Income £	Expenditure £	Transfers £	As at 30-Jun-22 £
<b>Unrestricted funds</b>					
General risk fund	500,000	2,807,417	(3,369,094)	561,677	500,000
Designated funds	2,316,765	-	-	(561,677)	1,755,088
	2,816,765	2,807,417	(3,369,094)	-	2,255,089
<b>Restricted funds</b>					
Autumn Season	-	31,250	(31,250)	-	-
Spring Season	-	29,500	(29,500)	-	-
Learning & Participation	-	98,005	(98,005)	-	-
Young Artists	3,620	1,000	-	-	4,620
Ticket Fund	109	-	-	-	109
Lighting Rig Fund	10,283	-	-	-	10,283
	14,012	159,755	(158,755)	-	15,012
	<b>2,830,777</b>	<b>2,967,172</b>	<b>(3,527,849)</b>	<b>-</b>	<b>2,270,100</b>

**Restricted funds**

*The Lighting Rig Fund* is supported by a grant from the Linbury Trust. This enabled the upgrade and re-stocking of ETO's touring lighting rig.

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

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

**Unrestricted funds**

Unrestricted funds include a General Risk Fund of £500,000 (FY21: £500,000) and Designated Funds of £1,755,088 (FY21: £2,316,765) in total.

Comparatives for the year to 30 June 2021 are shown in note 16.

ENGLISH TOURING OPERA LIMITED

NOTES TO THE ACCOUNTS

FOR YEAR ENDED 30 JUNE 2022

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total
	2022	2022	2022
	£	£	£
Fixed assets	108,867	10,283	119,150
Current assets	2,497,149	4,729	2,501,878
Current liabilities	(350,928)	-	(350,928)
Net assets	<b>2,255,088</b>	<b>15,012</b>	<b>2,270,100</b>

	Unrestricted Funds	Restricted Funds	Total
	2021	2021	2021
	£	£	£
Fixed assets	107,670	10,283	117,953
Current assets	2,879,598	3,728	2,883,326
Current liabilities	(170,504)	-	(170,504)
Net assets	<b>2,816,764</b>	<b>14,011</b>	<b>2,830,775</b>

13. OPERATING LEASE COMMITMENTS

	Office equipment		Land and buildings		Total	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
In less than one year	3,054	3,054	59,240	59,240	62,294	62,294
In two to five years	7,635	3,054	166,480	225,720	174,115	228,774
In more than five years	-	-	24,000	24,000	24,000	24,000
	<b>10,689</b>	<b>6,108</b>	<b>249,720</b>	<b>308,960</b>	<b>260,409</b>	<b>315,068</b>

ETO rents office premises at Mountview Academy of Theatre Arts, Peckham, with a lease extending to 2045 with a break clause every five years, the first break clause arising in 2025. ETO rents storage facilities in Northfleet, Kent until August 2028. ETO is grateful for additional storage space donated by Poulton Hall Estate and English National Opera. As the charity would not rent this space were it not offered free of charge, no value is included in the accounts for this gift in kind.

14. RELATED PARTY TRANSACTIONS

Director, James Conway received directing fees totalling £6,000 (2021: £4,500) for the Spring digital season 2022 in addition to his permanent staff salary.

Jonathan Peter Kenny, the civil partner of James Conway, Director, was hired by the charity as conductor in FY22. He was remunerated £29,215 for these services (inclusive of tour expenses) in line with fees and expenses of other conductors engaged by ETO (2021: remunerated £7,450).

Abigail Kelly, ETO trustee, was hired by the charity to be a director for the production *How To Find Your Name* and was remunerated £2,500 for these services (2021: remunerated £2,786 for performing in *Shh! We Have A Plan*).

Bradley Travis is employed on a part-time basis as Head of Learning & Participation. In addition, he received fees for directing and performing in ETO operas totalling £14,433 (FY21: £5,130).

ENGLISH TOURING OPERA LIMITED

NOTES TO THE ACCOUNTS

FOR YEAR ENDED 30 JUNE 2022

The aggregate of donations received from the Trustees and their related parties in the period was £6,344 (FY21: £3,435).

15. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 30 JUNE 2021

	Unrestricted funds		Restricted funds	Total 30Jun 2021
	General	Designated		
	£	£	£	£
<b>INCOME FROM:</b>				
<i>Donations &amp; Legacies</i>	2,224,613	-	164,608	2,389,221
<i>Investments</i>	909	-	-	909
<i>Charitable activities</i>				
Touring and production	9,355	-	-	9,355
Education and community projects	-	-	-	-
Other	104,911	-	-	104,911
<i>Other income: Theatre Tax Relief</i>	50,040	-	-	50,040
<b>Total income</b>	<b>2,389,828</b>	<b>-</b>	<b>164,608</b>	<b>2,554,436</b>
<b>EXPENDITURE ON:</b>				
<i>Raising funds</i>	199,921	-	-	199,921
<i>Charitable activities</i>				
Touring and production	838,072	-	106,734	944,806
Educational and community projects	99,870	-	58,079	157,949
<b>Total expenditure</b>	<b>1,137,863</b>	<b>-</b>	<b>164,813</b>	<b>1,302,676</b>
<b>NET INCOME/ (EXPENDITURE) BEFORE TRANSFERS</b>	<b>1,251,965</b>	<b>-</b>	<b>(205)</b>	<b>1,251,760</b>
Transfers between funds	(1,251,965)	1,251,965	-	-
<b>NET MOVEMENT IN FUNDS</b>	<b>-</b>	<b>1,251,965</b>	<b>(205)</b>	<b>1,251,760</b>
Fund balances brought forward	500,000	1,064,800	14,217	1,579,017
<b>FUND BALANCES CARRIED FORWARD</b>	<b>500,000</b>	<b>2,316,765</b>	<b>14,012</b>	<b>2,830,777</b>

ENGLISH TOURING OPERA LIMITED

NOTES TO THE ACCOUNTS

FOR YEAR ENDED 30 JUNE 2022

16. COMPARATIVE MOVEMENT IN FUNDS FOR THE YEAR ENDED 30 JUNE 2021

	As at 01-Jul-20 £	Income £	Expenditure £	Transfers £	As at 30-Jun-21 £
<b>Unrestricted funds</b>					
General risk fund	500,000	2,389,828	1,137,863	(1,251,965)	500,000
Designated funds	1,064,800	-	-	1,251,965	2,316,765
	1,564,800	2,389,828	1,137,863	-	2,816,765
<b>Restricted funds</b>					
Autumn Season	-	57,400	57,400	-	-
Spring Season	-	46,129	46,129	-	-
Learning & Participation	-	58,079	58,079	-	-
Young Artists	620	3,000	-	-	3,620
Ticket Fund	108	-	-	-	109
Lighting Rig Fund	13,489	-	3,205	-	10,283
	14,217	164,608	164,813	-	14,012
	<b>1,579,017</b>	<b>2,554,436</b>	<b>1,302,676</b>	<b>-</b>	<b>2,830,777</b>