

Company registration number: 601853

**Irish Opera Transformations Company Limited by Guarantee
(A Company Limited by Guarantee and not having Share Capital)**

Financial statements

for the financial year ended 31 December 2020

**Irish Opera Transformations Company Limited by Guarantee
(A Company Limited by Guarantee and not having Share Capital)**

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Irish Opera Transformations Company Limited by Guarantee
Company limited by guarantee

Directors and other information

Directors	Jennifer Caldwell Michael Patrick Wall Karen Stella Litchfield Sara Moorhead Yvonne Mary Shields Gaby Smyth Joseph Murphy Ann Nolan Tara Erraught Gary Joyce Gerard Howlin (Appointed 01/07/2020)
Secretary	Jennifer Caldwell
Company number	601853
Registered office	69 Dame Street Dublin 2
Auditor	Byrne Moreau Connell 2 Clanwilliam Square Grand Canal Quay Dublin 2
Bankers	AIB PLC 7/12 Dame Street Dublin 2

**Irish Opera Transformations Company Limited by Guarantee
(A Company Limited by Guarantee and not having Share Capital)**

Directors report

The directors present their annual report and the audited financial statements of the company for the financial year ended 31 December 2020.

Directors

The names of the persons who at any time during the financial year were directors of the company are as follows:

Jennifer Caldwell
Michael Patrick Wall
Karen Stella Litchfield
Sara Moorhead
Yvonne Mary Shields
Gaby Smyth
Joseph Murphy
Ann Nolan
Tara Erraught
Gary Joyce
Gerard Howlin (Appointed 01/07/2020)

Principal activities

As Ireland's national opera company, we produce high-quality, accessible opera in venues throughout Ireland and overseas.

Development and performance

Irish National Opera began its third year of operations with a production of Hansel and Gretel by Humperdinck, a co-production with Theatre Lovett and the Abbey Theatre. The production opened at the Abbey Theatre in February and toured to nine venues nationwide in February and March (Solstice Arts Centre, Navan; Watergate Theatre, Kilkenny; National Opera House, Wexford; Everyman, Cork; Siamsa Tíre, Tralee; Lime Tree Theatre, Limerick; Town Hall Theatre, Galway; Backstage Theatre, Longford; and An Grianán, Letterkenny). The Board of Directors would like to note the untimely passing of soprano Miriam Murphy who sang the role of Mother in the production. Miriam Murphy died unexpectedly in July 2020.

The company presented Celebration of the Voice Gala Concert on 2 February, gala concert with Tara Erraught and 4 emerging singers presented in partnership with Drogheda Classical Music in St Peter's Church in Drogheda.

In February the company began rehearsals for Carmen by Bizet, a co-production with Opera Philadelphia and Seattle Opera. The production was about to move to the Bord Gáis Energy Theatre for stage rehearsals and performances when on 12 March the Government announced countrywide restrictions and closures in an effort to contain the Covid-19 pandemic. The Carmen performances scheduled for 22, 24, 26 and 28 March had to be cancelled.

This was a time of extreme uncertainty. No one knew or could have known the duration and impact of the pandemic. The Arts Council intervened quickly and reassured arts organisations that their grant was guaranteed for the year. This allowed the company to adjust plans and budgets for the year and prepare for a number of scenarios.

**Irish Opera Transformations Company Limited by Guarantee
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Directors report (continued)

Development and performance continued...

Following government advice, Irish National Opera immediately moved its operations from the company's offices to remote working arrangements.

The company quickly adjusted to the new and very restrictive circumstances and created work for online distribution. It produced a series of five online concerts Friday Opera Sessions. Each concert featured five arias, pre-recorded by the artists in their own homes.

A production of *The Abduction from the Seraglio* by Mozart, scheduled for May, was adapted into an eight-part online mini-series. Principal singers, chorus and all orchestra members recorded themselves on their phones and in their homes, due to lockdown restrictions. A sound engineer was tasked with mixing the individual files and an animation company was engaged to create the visuals. This project was an artistic as well as a technical feat. Two episodes a week were streamed online during the month of July.

In August the company was due to commence rehearsals for the revival of *Least Like The Other: Searching for Rosemary Kennedy*. This original INO commission had premiered at the 2019 Galway International Arts Festival to great critical acclaim. The plan was to tour the production to the Lime Tree Theatre in Limerick, to Solstice Arts Centre in Navan and to Cork Opera House before a run in Dublin at the O'Reilly Theatre, Belvedere College. However, as the reopening of venues remained uncertain and a tour of this scale seemed risky, the company decided to re-imagine the project and to make the production as Covid-proof as possible. The company took the more prudent approach of presenting the production in Dublin only as part of the Dublin Theatre Festival. In order to reduce the number of performers needed on stage (as at the time there were restrictions in place on the number of people allowed in a venue) the orchestra was pre-recorded and 16-channel surround sound design was created. The production was re-staged to ensure the 3 performers were socially distanced. However, the government issued further restrictions and all performances had to be cancelled. The company used the time in the theatre to film the production for future use.

In October the company launched *Mezzo Masterpieces*, a series of three concerts with orchestra featuring three of Ireland's leading mezzo-sopranos and streamed live from iconic locations. Sharon Carty presented baroque repertoire from Castletown House (31 October), Tara Erraught featured in concert dedicated to *Bel Canto* in Dublin Castle (15 November) and Paula Murrin sang an all-Mozart programme in Kilkenny Castle. This series was presented in partnership with the Office of Public Works.

The company had planned three concert performances of *The Abduction from the Seraglio*, with the same cast that was due to take part in the staged production in May. However as no indoor performances were possible, the company live-streamed one concert performance on 5 December from the National Opera House, Wexford.

In December the company premiered *20 Shots of Opera*, its most ambitious digital project of the year. 20 composers (10 male and 10 female) were commissioned to write short operas for a small ensemble and limited number of singers. The twenty pieces were audio recorded in a studio and subsequently filmed in the Gaiety Theatre. This ambitious project involved over 160 opera and film professionals. *20 Shots of Opera* garnered rave reviews, generated significant press coverage in the UK, mainland Europe and the USA and firmly put the company on the international opera map.

This was the second year of the company's young artists programme, the ABL Aviation Opera Studio with new edition which began in August 2020 for the 2020/21 Season. Eight emerging opera artists were selected. The artists participated in a number of coaching sessions, masterclasses and professional development initiatives. From March, all activities were moved online. The Studio production of *The Four Note Opera* planned for June had to be postponed.

**Irish Opera Transformations Company Limited by Guarantee
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Directors report (continued)

Development and performance continued...

The company continued its extensive work in education and outreach, though several initiatives could only be delivered online. In January, the company presented *How Aria*, commissioned short opera set to a text co-written by service users of St Patrick's Mental Health Services. The work was presented in January in St Patrick's Mental Health Services as part of the First Fortnight festival.

Other events throughout the year included lectures and pre-show talks; engagement with Alzheimer patients (in collaboration with Abbey Theatre); participatory music workshops; lighting workshop; introduction to opera and podcast with libraries; workshops with Theatre Lovett; and the Spotlight programme (Artist in School scheme).

Acknowledgements

The company wishes to acknowledge the continued support of its principal funder, The Arts Council/An Chomairle Ealaíon. The company also acknowledges additional support from Culture Ireland, Dublin City Council, Istituto Italiano di Cultura, Goethe-Institut and its corporate and individual supporters. Irish National Opera is a member of Theatre Forum, Business to Arts, Association of Irish Stage Technicians, Opera Europa, OperaVision, RESEO, Fedora and the International Society for the Performing Arts.

Principal risks and uncertainties

At the time of completing this report, theatres and venues across Ireland are due to reopen gradually in line with Government plans for reopening the economy. The company is planning to present outdoor performances in July and August and return to indoor performances from September. The company will continue to adjust its plans for 2021 in consultation with the Arts Council with revised budgets and income projections.

Accounting records

The measures taken by the directors to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are located at 69 Dame Street, Dublin 2.

Relevant audit information

In the case of each of the persons who are directors at the time this report is approved in accordance with section 332 of Companies Act 2014:

- so far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

This report was approved by the board of directors on 25 June 2021 and signed on behalf of the board by:



Jennifer Caldwell
Director



Gaby Smyth
Director

**Irish Opera Transformations Company Limited by Guarantee
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Directors responsibilities statement

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent auditor's report to the members of
Irish Opera Transformations Company Limited by Guarantee**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Irish Opera Transformations Company Limited by Guarantee (the 'company') for the financial year ended 31 December 2020 which comprise the profit and loss account, statement of income and retained earnings, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2020 and of its profit for the financial year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Independent auditor's report to the members of
Irish Opera Transformations Company Limited by Guarantee (continued)**

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 management either intends to liquidate the company or to cease operations, or has 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 (Ireland) 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.

**Independent auditor's report to the members of
Irish Opera Transformations Company Limited by Guarantee (continued)**

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

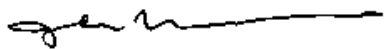
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Independent auditor's report to the members of
Irish Opera Transformations Company Limited by Guarantee (continued)**



JOSEPH MOREAU

For and on behalf of
Byrne Moreau Connell
Chartered Accountants and Statutory Audit firm
2 Clanwilliam Square
Grand Canal Quay
Dublin 2

25 June 2021

Irish Opera Transformations Company Limited by Guarantee
(A Company Limited by Guarantee and not having Share Capital)

Profit and loss account
Financial year ended 31 December 2020

	Note	2020 €	2019 €
Turnover	5	3,579,919	4,622,599
Cost of sales		(2,654,654)	(3,766,614)
Gross profit		<u>925,265</u>	<u>855,985</u>
Administrative expenses		(768,999)	(892,357)
Operating profit/(loss)	7	<u>156,266</u>	<u>(36,372)</u>
Interest payable and similar expenses	9	-	(64)
Profit/(loss) before taxation		<u>156,266</u>	<u>(36,436)</u>
Tax on profit/(loss)		-	-
Profit/(loss) for the financial year		<u><u>156,266</u></u>	<u><u>(36,436)</u></u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the financial year as set out above.

The notes on pages 14 to 22 form part of these financial statements.

**Irish Opera Transformations Company Limited by Guarantee
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**Statement of income and retained earnings
Financial year ended 31 December 2020**

	2020	2019
	€	€
Profit/(loss) for the financial year	156,266	(36,436)
Retained earnings at the start of the financial year	<u>(8,706)</u>	<u>27,730</u>
Retained earnings at the end of the financial year	<u><u>147,560</u></u>	<u><u>(8,706)</u></u>

**Irish Opera Transformations Company Limited by Guarantee
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**Balance sheet
As at 31 December 2020**

		2020		2019	
	Note	€	€	€	€
Fixed assets					
Tangible assets	11	45,035		19,975	
			45,035		19,975
Current assets					
Debtors	12	60,839		399,081	
Cash at bank and in hand		1,190,220		319,195	
		1,251,059		718,276	
Creditors: amounts falling due within one year	14	(1,148,534)		(746,957)	
Net current assets/(liabilities)			102,525		(28,681)
Total assets less current liabilities			147,560		(8,706)
Net assets/(liabilities)			147,560		(8,706)
Capital and reserves					
Profit and loss account	17		147,560		(8,706)
Members funds/(deficit)			147,560		(8,706)

These financial statements were approved by the board of directors on 25 June 2021 and signed on behalf of the board by:



Jennifer Caldwell
Director



Gaby Smyth
Director

The notes on pages 14 to 22 form part of these financial statements.

Irish Opera Transformations Company Limited by Guarantee
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Statement of cash flows
Financial year ended 31 December 2020

	Note	2020 €	2019 €
Cash flows from operating activities			
Profit/(loss) for the financial year		156,266	(36,436)
<i>Adjustments for:</i>			
Depreciation of tangible assets		9,591	4,972
Interest payable and similar expenses		-	64
Accrued expenses/(income)		21,066	(88,016)
<i>Changes in:</i>			
Trade and other debtors		338,242	(174,242)
Trade and other creditors		372,976	511,895
Cash generated from operations		<u>898,141</u>	<u>218,237</u>
Interest paid		-	(64)
Net cash from operating activities		<u>898,141</u>	<u>218,173</u>
Cash flows from investing activities			
Purchase of tangible assets		(34,653)	(10,386)
Net cash used in investing activities		<u>(34,653)</u>	<u>(10,386)</u>
Net increase/(decrease) in cash and cash equivalents		863,488	207,787
Cash and cash equivalents at beginning of financial year	13	<u>319,028</u>	<u>111,241</u>
Cash and cash equivalents at end of financial year	13	<u>1,182,516</u>	<u>319,028</u>

**Irish Opera Transformations Company Limited by Guarantee
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**Notes to the financial statements
Financial year ended 31 December 2020**

1. General information

The company is a private company limited by guarantee, registered in Ireland. The address of the registered office is 69 Dame Street, Dublin 2.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Triennial review 2017 amendments to the standard have been early adopted.

3. Accounting policies and measurement bases

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in Euro, which is the functional currency of the entity.

Going concern

The company posted a surplus/(deficit) of €156,266 (2019: (€36,436)) during the year ended 31st December 2020 and as at that date had net assets/(liabilities) of €147,560 (2019: (€8,706)).

As earned income reduced significantly during the year, the company availed of the Revenue subsidies on offer to ensure employee salaries and operations remained unaffected. This, along with the strategic pivoting as mentioned in the directors report as well as surpassing the fundraising target, allowed the organisation maintain and grow reserves for use in future productions.

Along with the continued support of the Arts Council, revision of budgets and cashflows and creation of a detailed COVID-19 response policy, there is a reasonable expectation that the Company can continue to carefully monitor its cash flow to ensure that the Company has sufficient funds to be able to meet its liabilities as they fall due for a period of at least 12 months from the date of the financial statements. On this basis the directors are satisfied that the financial statements should be prepared on a going concern basis

**Irish Opera Transformations Company Limited by Guarantee
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**Notes to the financial statements (continued)
Financial year ended 31 December 2020**

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 10 / 14% straight line
Fittings fixtures and equipment	- 33% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

**Irish Opera Transformations Company Limited by Guarantee
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**Notes to the financial statements (continued)
Financial year ended 31 December 2020**

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**Irish Opera Transformations Company Limited by Guarantee
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**Notes to the financial statements (continued)
Financial year ended 31 December 2020**

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Limited by guarantee

The company is limited by guarantee. The liability of each member in the event of the company being wound up is limited to €1.

5. Turnover

Turnover arises from:

	2020	2019
	€	€
Arts Council Funding	3,080,400	2,996,500
Box Office sales	21,219	970,183
In-Kind Support	28,473	201,015
Corporate and International Funding	78,935	37,500
Guarantees & Fees	203,561	198,767
Grants	29,304	11,000
Fundraising	96,900	66,899
Other Income	41,127	140,735
	<u>3,579,919</u>	<u>4,622,599</u>

The Company has adequate financial controls in place to manage granted funds. Public funds are listed in note 6

The whole of the turnover is attributable to the principal activity of the company which is wholly undertaken in Ireland during 2020

**Irish Opera Transformations Company Limited by Guarantee
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**Notes to the financial statements (continued)
Financial year ended 31 December 2020**

6. Public funds

	Accrued / (Deferred) Grant 31 Dec 2019	Amount Of Grant Awarded 2020	Cash Received In Period	Recognised As Income In 2020	Accrued (Deferred) Grant 31 Dec 2020
<u>Arts Council - Strategic Funding 2020</u>					
Purpose: Revenue Funding, Duration: 12months	-	3,072,000	3,072,000	3,072,000	-
<u>Arts Council - RAISE funding</u>					
Purpose: Salary Subsidy	-	8,400	8,400	8,400	-
<u>Dublin City Council - Arts Grant</u>					
Purpose: Arts Legacy project for UEFA EURO 2020	-	31,600	31,600	29,304	(2,296)
	-	3,112,000	3,112,000	3,109,704	(2,296)

7. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2020	2019
	€	€
Depreciation of tangible assets	9,591	4,972
Impairment of trade debtors	844	1,926
Fees payable for the audit of the financial statements	7,380	8,032

**Irish Opera Transformations Company Limited by Guarantee
(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)
Financial year ended 31 December 2020**

8. Staff costs

The average number of persons employed by the company during the financial year, including the directors, was as follows:

	2020	2019
	Number	Number
Administrative	11	10
	<u> </u>	<u> </u>

The aggregate payroll costs incurred during the financial year were:

	2020	2019
	€	€
Wages and salaries	443,440	541,965
Social insurance costs	40,987	58,214
Other retirement benefit costs	25,859	27,663
	<u>510,286</u>	<u>627,842</u>

During the year the company availed of the Employment Wage Subsidy Scheme on offer due to the COVID-19 pandemic. The above wages and salary figure includes €59,726 received in relation to the scheme.

9. Interest payable and similar expenses

	2020	2019
	€	€
Other interest payable and similar expenses	-	64
	<u> </u>	<u> </u>

10. Appropriations of profit and loss account

	2020	2019
	€	€
At the start of the financial year	(8,706)	27,730
Profit/(loss) for the financial year	156,266	(36,436)
At the end of the financial year	<u>147,560</u>	<u>(8,706)</u>

Irish Opera Transformations Company Limited by Guarantee
(A Company Limited by Guarantee and not having Share Capital)

Notes to the financial statements (continued)
Financial year ended 31 December 2020

11. Tangible assets

	Plant and machinery	Fixtures, fittings and equipment	Total
	€	€	€
Cost			
At 1 January 2020	12,550	13,470	26,020
Additions	26,997	7,656	34,653
At 31 December 2020	<u>39,547</u>	<u>21,126</u>	<u>60,673</u>
Depreciation			
At 1 January 2020	1,139	4,907	6,046
Charge for the financial year	3,431	6,161	9,592
At 31 December 2020	<u>4,570</u>	<u>11,068</u>	<u>15,638</u>
Carrying amount			
At 31 December 2020	<u>34,977</u>	<u>10,058</u>	<u>45,035</u>
At 31 December 2019	<u>11,411</u>	<u>8,563</u>	<u>19,974</u>

12. Debtors

	2020	2019
	€	€
Trade debtors	779	1,591
Other debtors	21,564	67,810
Prepayments	38,496	329,680
	<u>60,839</u>	<u>399,081</u>

13. Cash and cash equivalents

	2020	2019
	€	€
Cash at bank and in hand	1,190,220	319,195
Credit cards	(7,702)	(167)
	<u>1,182,518</u>	<u>319,028</u>

**Irish Opera Transformations Company Limited by Guarantee
(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)
Financial year ended 31 December 2020**

14. Creditors: amounts falling due within one year

	2020	2019
	€	€
Amounts owed to credit institutions	7,702	167
Trade creditors	25,056	38,922
Other creditors	1,870	1,665
Tax and social insurance:		
PAYE and social welfare	7,275	15,720
VAT	36,530	-
Accruals	37,149	16,083
Deferred income	1,032,952	674,400
	<u>1,148,534</u>	<u>746,957</u>

15. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was €25,859 (2019: €27,663).

16. Financial instruments

The carrying amount for each category of financial instruments is as follows:

	2020	2019
	€	€
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	779	1,591
Other debtors	21,564	15,000
Cash at bank and in hand	1,190,220	319,195
	<u>1,212,563</u>	<u>335,786</u>
Financial liabilities measured at amortised cost		
Trade creditors	<u>25,056</u>	<u>38,922</u>

17. Reserves

Profit and loss account:

This reserve records retained surplus and accumulated losses of the company

**Irish Opera Transformations Company Limited by Guarantee
(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)
Financial year ended 31 December 2020**

18. Analysis of changes in net debt

	At 1 January 2020	Cash flows	At 31 December 2020
	€	€	€
Cash and cash equivalents	319,195	871,025	1,190,220
Credit Cards	(167)	(7,535)	(7,702)
	<u>319,028</u>	<u>863,490</u>	<u>1,182,518</u>

19. Related party transactions

During the year one of the directors offered bookkeeping services to the company free of charge. The cost of these services have been reflected as inkind income and expenditure in the profit and loss account.

20. Approval of financial statements

The board of directors approved these financial statements for issue on 25 June 2021.

**Irish Opera Transformations Company Limited by Guarantee
(A Company Limited by Guarantee and not having Share Capital)**

The following pages do not form part of the statutory accounts.

Irish Opera Transformations Company Limited by Guarantee
(A Company Limited by Guarantee and not having Share Capital)

Detailed profit and loss account
Financial year ended 31 December 2020

	2020	2019
	€	€
Turnover		
Arts Council Funding	3,080,400	2,996,500
Fundraising	175,835	104,399
Box Office	21,219	970,183
Dublin City Council	29,304	11,000
Guarantees & Fees	203,561	198,767
Other Sales	29,527	93,735
Income In-Kind	28,473	201,015
Other income	11,600	47,000
	3,579,919	4,622,599
 Cost of sales		
Direct costs	(2,654,654)	(3,766,614)
	(2,654,654)	(3,766,614)
 Gross profit	 925,265	 855,985
 Gross profit percentage	 25.8%	 18.5%
 Overheads		
Administrative expenses		
Wages and salaries	(443,440)	(541,965)
Employer's PRSI contributions	(40,987)	(58,214)
Staff pension costs - defined contribution	(25,859)	(27,663)
Staff training	(957)	-
Rent payable	(45,928)	(42,471)
Insurance	(18,380)	(14,565)
Light and heat	(8,147)	(7,221)
Cleaning	(2,450)	(2,748)
Repairs and maintenance	(2,629)	(5,731)
Printing, postage and stationery	(5,337)	(11,280)
Advertising	(43,565)	(57,937)
Telephone	(829)	(814)
Computer costs	(10,592)	(6,030)
Storage Costs	(46,029)	(35,957)
Travelling and entertainment	(3,435)	(13,866)
Entertaining	(116)	(326)
Legal and professional	(3,468)	-
Consultancy fees	(11,185)	(6,097)
Accountancy fees	(14,409)	(17,032)
Auditors remuneration	(7,380)	(8,032)
Bank charges	(2,033)	(1,068)
Bad debts	(844)	(1,926)
Canteen	(2,134)	(4,185)
Staff welfare	(6,018)	(1,734)
General expenses	2,209	(7,668)

Irish Opera Transformations Company Limited by Guarantee
(A Company Limited by Guarantee and not having Share Capital)

Detailed profit and loss account (continued)
Financial year ended 31 December 2020

	2020	2019
	€	€
Subscriptions	(15,466)	(12,855)
Depreciation of tangible assets	(9,591)	(4,972)
	<u>(768,999)</u>	<u>(892,357)</u>
Operating profit/(loss)	156,266	(36,372)
Operating profit/(loss) percentage	4.4%	0.8%
Interest payable and similar expenses	-	(64)
Profit/(loss) before taxation	<u>156,266</u>	<u>(36,436)</u>