

**Royal  
Albert  
Hall  
Developments  
Limited**

**Annual Report and Financial  
Statements**

31 December 2022

Company Registration Number  
01539294 (England and Wales)



<b>Directors</b>	L M Baroukh (Chairman) J A Cooper C S Hassall (resigned 2 December 2022) M Jackson (resigned 22 September 2022) N Hamway P B Lim S Newey C Gilkes (appointed 9 June 2022) M Schnebli (appointed 22 September 2022) D J Freeman (appointed 2 December 2022)
<b>Secretary</b>	S Gent
<b>Registered office</b>	Royal Albert Hall Kensington Gore London SW7 2AP
<b>Registered number</b>	01539294 (England and Wales)
<b>Auditor</b>	Moore Kingston Smith LLP 9 Appold Street London EC2A 2AP
<b>Bankers</b>	Coutts & Co 440 Strand London WC2R 0QS
<b>Solicitors</b>	Bates Wells Braithwaite LLP 10 Queen Street Place London EC4R 1BE

Royal Albert Hall Developments Limited

## **Contents**

### **Reports**

Strategic Report	1
Directors' Report	4
Independent Auditor's Report	7

### **Financial Statements**

Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Principal Accounting Policies	14
Notes to the Financial Statements	17

## **Strategic Report 31 December 2022**

The Directors present their strategic report and directors' report together with the financial statements of the company for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 14 to 16 of the attached accounts, applicable laws and the requirements of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### **Review of business**

The Royal Albert Hall continued to be severely impacted by Covid-19 during 2021, with a national lockdown that resulted in closure for the first 5 months of the year. Whilst open mid-year, the year ended with the Hall closed again owing to the impact of the Omicron variant.

In 2022, audiences returned to a full programme of performances that built up over the year, culminating in a highly successful Christmas season and closing only once as a mark of respect for the death of Her Majesty the Queen.

86 performances were contracted through RAHDL throughout the course of the year. *Luzia* by Cirque Du Soleil premiered on the 13<sup>th</sup> January 2022 and ran for 60 performances during January and February. Other highlights included an own promote of Matthew Bourne's *Car Man* that ran for 14 performances in June, *The Strong Man Classic* in July, *The Festival of Remembrance* in November and a programme of live orchestra performances to popular films.

### **Results**

The company made a profit after tax for the year of £3.7m (2021: profit of £1.9m). A Deed of Covenant payment of £3.4m was accounted for in the year (2021: £1.9m), the distribution being reflected through the Statement of Changes in Equity. The Directors recommend an additional donation of £0.3m (2021 - £nil) to be paid over in 2023. The Directors do not recommend the payment of a dividend (2021 - £nil).

### **Principal risks and uncertainties**

All of the company's activities are influenced by the demand for hiring the Hall by event promoters and the inherently uncertain levels of audience attendance and expenditure on tickets and ancillary services. The company is particularly exposed to fluctuations in the popularity of own and co-promotions, because the risk profile is more aggressive than for third party lettings.

The principal risks and uncertainties to the Hall are detailed below.

Risk	Management
<p>Further lockdowns in the event of a major disease outbreak threatening the NHS in the coming months</p> <ul style="list-style-type: none"> <li>• The further closure of the Hall for an extended period of time with the consequent impact on the Hall's reserves.</li> <li>• Uncertainty around the loss of public confidence to attend public gatherings or travel to London, which could impact income</li> <li>• The impact of sickness on the supply chain and operational teams.</li> <li>• Delays to large capital projects resulting in deterioration of the building and cost increases.</li> <li>• Staff wellbeing and morale being affected adversely due to work pressures.</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed cash flow forecasts of different closure scenarios; review and cutting back of all expenditure</li> <li>• Pre-existing COVID-safe site arrangements, procedures and risk assessments in place. Plans fully scalable for any size capacity and to include pandemic-safe procedures for managing staff, contractors, performers and the public.</li> </ul>
<p>Incidents that prevent use of the building and therefore require cancellation of events (including terrorist action, fire, loss of utilities, incidents causing serious injury, and disruption caused by building/ engineering works).</p>	<ul style="list-style-type: none"> <li>• Strict adherence/enforcement of procedures, codes of practice etc.</li> <li>• Built-in resilience / dual capacity / back-up systems and processes.</li> <li>• Organisation-wide staff induction, awareness, and training</li> <li>• Detailed contingency / disaster recovery planning.</li> <li>• Comprehensive insurance.</li> </ul>
<p>Significant loss of revenue or funding / significant increase to cost base (including increased energy costs)</p>	<ul style="list-style-type: none"> <li>• Robust business model with diverse content on stage</li> <li>• Long term affordable debt finance in place</li> <li>• Strategic approach to energy purchasing to insulate against further price increases</li> </ul>

Risk	Management
Cyber attack / IT system failure	<ul style="list-style-type: none"> <li>• Cyber insurance in place</li> <li>• Continual offsite system backups</li> <li>• Regular staff training</li> <li>• Disaster recovery plans in place</li> </ul>
<p>Damage to the Hall's reputation, impacting long-term operational and financial resilience arising from:</p> <ul style="list-style-type: none"> <li>• failure to comply with statute or safeguarding requirements</li> <li>• negative publicity arising from a misunderstanding of the Hall's unique governance structure which may lead to a reduction in public support thereby impacting the Halls ability to generate income</li> <li>• adverse reviews</li> <li>• failing service standards</li> <li>• data protection breaches</li> <li>• security-related incidents</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensive procedures and staff awareness of them and training</li> <li>• Disclosure and explanation of the Hall's governance structure in the annual report and accounts, other statutory documents, and the website.</li> <li>• Conflicts Committee</li> <li>• Ongoing dialogue with the Charity Commission</li> <li>• Long-term contracts and strong relationships with major promoters and corporate partners.</li> <li>• Proactive and reactive media strategies.</li> <li>• Implementation of GDPR action plan.</li> </ul>

### Future developments

The directors will continue to monitor the potential impact of historic high levels of inflation and the cost-of-living crisis on costs and ticket sales, and will take action as necessary to seek to mitigate any adverse development. The Company is currently scheduled to contract 73 events in 2023 (86 contracted in 2022).

Approved by the directors on 19 April 2023 and signed on their behalf by



S Gent  
Secretary

**Principal activities**

The principal activities of the company in the year under review were the licensing of the Royal Albert Hall ("the Hall") to third parties, the licensing of boxes to corporate clients, the production of certain events, the marketing of hospitality packages for events at the Hall, the sale of the Hall's lighting services and other ancillary services offered to third parties, the provision of box office services to patrons and promoters, merchandise and retail offerings and the receipt of income from catering and other services provided to patrons of the Royal Albert Hall by concessionaires appointed by the company, including a car parking concession.

**Review of business**

A review of the business activities during the year, important events affecting the company which have occurred since the end of the financial year and an indication of likely future developments in the business of the company, are included in the strategic report above.

**Parent charity**

The company is a wholly owned subsidiary of The Corporation of the Hall of Arts and Sciences ("the Corporation") which is incorporated by Royal Charter and is a registered charity, Charity Registration No. 254543.

**Directors**

The directors in office during the year were as follows:

L M Baroukh	N Hamway
J A Cooper	S W Newey
C S Hassall (resigned 2 December 2022)	C Gilkes (appointed 9 June 2022)
M Jackson (resigned 22 September 2022)	M Schnebli (appointed 22 September 2022)
P B M Lim	D J Freeman (appointed 2 December 2022)

None of the directors had any beneficial interest in the company's issued share capital at any time during the year (2021 – none).

Throughout the year the Corporation secured indemnity insurance under a policy covering the members of Council and the Hall's officers, Trustees and officers of the subsidiary company and related trust. The total premium charged to the Corporation was £17k (2021 - £17k) and the cover provided totalled £5 million (2021 - £5 million).

### **Going Concern**

After a period of extensive closure due to the pandemic, the Hall was open to audiences all year, closing only once as a mark of respect following the death of Her Majesty the Queen. Whilst 2022 began slowly and overall audiences were 15% down on the last comparable year of 2019, ticket bookings were strong culminating in an excellent Christmas season. The Hall is also successfully absorbing the financial impact of high energy prices and inflation on its cost base.

Our planning processes, including financial projections, have taken into consideration such uncertainties along with the current economic climate. The directors have reviewed the current financial position of the Hall for the foreseeable future and have taken action as necessary to manage risks arising from different scenarios.

It is reasonable to expect the Company to generate adequate income to continue in operation for the foreseeable future, being the period of at least twelve months from the date of approval of these financial statements. Accordingly, the going concern basis of accounting continues to be adopted in preparing the financial statements.

### **Directors' responsibilities**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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 state of affairs of the company and of its profit or loss for that period. 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 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 company will continue in business.



**Directors' Report 31 December 2022**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution is to be proposed at the Annual General Meeting for appointment of auditors of the Company in accordance with s.485 of the Companies Act 2006.

Approved by the directors on 19 April 2023 and signed on their behalf by



S Gent  
Secretary

**Independent Auditor's Report to the Shareholder of Royal Albert Hall Developments Limited**

**Opinion**

We have audited the financial statements of Royal Albert Hall Developments Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 company's affairs as at 31 December 2022 and of its profit 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 company 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 directors' 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 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 directors with respect to going concern are described in the relevant sections of this report.

Royal Albert Hall Developments Limited 7

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the Strategic Report and the Directors' Report 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

**Independent Auditor's Report 31 December 2022**

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**Use of our report**

This report is made solely to the 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 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.



**Mark Twum-Ampofo (Senior Statutory Auditor)**

**For and on behalf of**

**Moore Kingston Smith LLP**

**Chartered Accountants**

**Statutory Auditor**

**Date: 12/05/2023**

**Royal Albert Hall Developments Limited****Statement of Comprehensive Income Year to 31 December 2022**

	Notes	2022 £'000	2021 £'000
<b>Turnover</b>	1	<b>15,242</b>	5,720
Cost of sales		<b>(11,955)</b>	(3,819)
<b>Operating profit/(loss)</b>		<b>3,287</b>	1,901
Interest receivable and similar income		<b>74</b>	1
<b>Profit/(loss) on ordinary activities before taxation</b>	2	<b>3,361</b>	1,902
<b>Tax on profit/(loss) on ordinary activities</b>	4	<b>369</b>	(5)
<b>Profit/(loss) and total comprehensive income for the year</b>		<b>3,730</b>	1,897

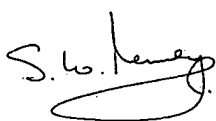
**Royal Albert Hall Developments Limited**  
**Statement of Financial Position 31 December 2022**

	Notes	2022 £'000	2021 £'000
<b>Current assets</b>			
Stock	5	110	167
Debtors	6	2,305	2,120
Cash at bank and in hand		<u>13,592</u>	<u>8,782</u>
		<b>16,007</b>	<b>11,069</b>
<b>Creditors: amounts falling due within one year</b>	7	<u>(15,621)</u>	<u>(11,044)</u>
<b>Total net assets</b>		<b><u>386</u></b>	<b><u>25</u></b>
<b>Capital and reserves</b>			
Equity interests:			
Called up share capital	9	25	25
Profit and loss account		<u>361</u>	<u>-</u>
<b>Shareholder's funds</b>		<b><u>386</u></b>	<b><u>25</u></b>

Approved by the directors and authorised for issue on 19 April 2023 and signed on their behalf by



L M Baroukh  
 Director



S W Newey  
 Director

Company registration number: 1539294 (England and Wales)

**Royal Albert Hall Developments Limited**  
**Statement of Changes in Equity 31 December 2022**

<b>STATEMENT OF CHANGES IN EQUITY</b> For the Year Ended 31 December 2022	Share Capital £'000	Retained Earnings £'000	Total Equity £'000
As at 1 January 2022	25	-	25
Profit/(Loss) for the year	-	3,730	3,730
Payment under deed of covenant to the Corporation	-	(3,369)	(3,369)
As at 31 December 2022	25	361	386

<b>STATEMENT OF CHANGES IN EQUITY</b> For the Year Ended 31 December 2021	Share Capital £'000	Retained Earnings £'000	Total Equity £'000
As at 1 January 2021	25	(13)	12
Profit/(Loss) for the year	-	1,897	1,897
Payment under deed of covenant to the Corporation	-	(1,884)	(1,884)
As at 31 December 2021	25	-	25



**Company Information**

Royal Albert Hall Developments Limited (RAHDL) and its wholly owned subsidiary RAH Concerts Limited (RAHCL) provide licensing of the Royal Albert Hall to third parties. RAHDL also provides other income generating services which are provided to patrons directly and also through concessionaires appointed by the company.

RAHDL is a private company registered in England and Wales (company registered number: 01539294) which is incorporated and domiciled in the UK. The address of the registered office is Royal Albert Hall, Kensington Gore, London, SW7 2AP, UK. The Company is limited by shares.

RAHCL is a private company registered in England and Wales (company registered number: 10664172) which is incorporated and domiciled in the UK. The address of the registered office is Royal Albert Hall, Kensington Gore, London, SW7 2AP. The company is limited by shares.

RAHDL is a wholly owned subsidiary of The Corporation of the Hall of Arts and Sciences ("the Corporation") which is incorporated by Royal Charter and is a registered charity, Charity Registration No. 254543. The address of its registered office is Royal Albert Hall, Kensington Gore, London, SW7 2AP. The consolidated financial statements are available to the general public from the Charity Commission. <https://www.gov.uk/government/organisations/charity-commission>

**Going Concern**

The directors of the Board have assessed the Company's financial position, its plans for the foreseeable future, economic conditions, the risks to which it is exposed and its forecast projections.

The directors are satisfied that it is reasonable to expect the Company to generate adequate income to continue in operation for the foreseeable future, being the period of at least twelve months from the date of approval of these financial statements. Accordingly, the going concern basis of accounting continues to be adopted in preparing the financial statements.

**Basis of accounting**

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and have been prepared under the historical cost convention.

## **Principal Accounting Policies 31 December 2022**

The company is using the exemption given by Section 400 of the Companies Act to prepare consolidated accounts as RAHDL is a 100% owned subsidiary of The Corporation of the Hall of Arts and Sciences and The Corporation produces consolidated financial statements in which the company's financial results and position are included. The consolidated financial statements are available to the general public from the Charity Commission.

### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, which are described in below, the directors are required to make judgements, estimates and assumptions about the carrying values 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 on-going 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 affects the current and future periods.

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

### **Turnover**

Turnover is stated net of value added tax and comprises amounts receivable from lettings of the Royal Albert Hall assigned to the company by the Corporation, from joint arrangements for the production of certain events, from licensing of boxes, concessions, sale of tickets and sale of services to third parties (such as lighting, recording and promotional activities), advertising, tours, a shop and a car parking concession. Income is recognised on the day the show takes place. Income received in the year relating to future periods is deferred and carried forward within creditors.

### **Expenditure**

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

### **Cash flow statement**

The company has taken advantage of the exemption paragraph 1.12 of FRS 102 from the requirement to prepare a cash flow statement and a note on financial instruments on the grounds that it is a wholly owned subsidiary of The Corporation of the Hall of Arts and Sciences ('the Corporation') (note 8) and The Corporation produces consolidated financial statements in which the company's financial results and position are included.

**Financial instruments**

The company 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade, other creditors and accruals.

**Stock**

Stock is included at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Gift Aid**

Gift Aid - Donations to the parent charity are recognised as an expense either when paid or at the date when the company has a legal liability to make the donation payment if earlier.

**Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Provision for corporation tax on the company's profit for the year has been reduced due to its policy of donating all its tax adjusted profits available for distribution under gift aid to its ultimate charitable parent undertaking within nine months of the each year-end date and because the company early implemented FRS 102 para 29.14A.

Theatre tax relief credits payable to the company in relation of eligible expenditure on theatrical productions are recognised as a credit within the tax charge.

## Notes to the Financial Statements 31 December 2022

### 1 Turnover

Turnover relates solely to the following activities undertaken in the United Kingdom:

	2022 £'000	2021 £'000
Rental	552	310
Ticket sales and commission	5,439	1,990
Concessions and licences granted	5,722	1,937
Other show-related income	2,492	1,156
Other income	1,037	327
	<b>15,242</b>	<b>5,720</b>

### 2 Operating profit

	2022 £'000	2021 £'000
This is stated after charging:		
Auditor's remuneration – financial statements	8	7

### 3 Directors and employees

None of the directors received any remuneration in respect of their services to the company during the year (2021 - £nil). The company has no employees (2021 – none). The work of the Royal Albert Hall Developments Limited is carried out by employees of the Corporation of the Hall of Arts and Sciences and their related costs are recharged.

### 4 Taxation

The tax charge represents:

	2022 £'000	2021 £'000
UK corporation tax on profit for the year	(361)	5
Adjustment in respect of prior year period	(8)	(2)
Total current tax	<b>(369)</b>	<b>5</b>

	2022 £'000	2021 £'000
Profit on ordinary activities before tax	<b>3,361</b>	<b>1,902</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	639	361
Disallowable expenses	-	(2)
Claims for Theatre Tax Credit	(361)	-
Adjustment in respect of prior year period	(8)	(2)
Other tax adjustments	(639)	(352)
	<b>(369)</b>	<b>5</b>

## Notes to the Financial Statements 31 December 2022

### 5 Stock

	2022 £'000	2021 £'000
Stock	110	167
	<b>110</b>	<b>167</b>

### 6 Debtors

	2022 £'000	2021 £'000
Trade debtors	1,772	1,201
Other debtors and prepayments	172	346
Taxation credits receivable	361	-
Amounts due from group undertakings	-	573
	<b>2,305</b>	<b>2,120</b>

The intercompany balances are with the Corporation and mainly represent the movement of cash between the two entities in order to maximise the interest income obtainable.

### 7 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	-	680
Other creditors including taxation and social security	1,111	1,093
Accruals and deferred income	3,720	9,271
Amounts due to Group undertakings	10,790	-
	<b>15,621</b>	<b>11,044</b>

### 8 Investment in subsidiary

The company's subsidiary is RAH Concerts Limited which is incorporated in England (company number 10664172). The principal activity of RAH Concerts Limited are the licensing of the Royal Albert Hall to third parties. The company's investment in RAH Concerts Limited comprises 1 ordinary share of £1, being the entire issued share capital of that company.

## 8 Investment in subsidiary (continued)

A summary of the financial results of the company is shown below.

<b>Statement of comprehensive income</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Turnover	957	322
Cost of sales	(710)	(171)
Operating profit/(loss)	247	151
Net interest receivable	-	-
Profit/(loss) on ordinary activities before taxation	247	151
Tax on ordinary activities	3	(1)
Profit/(loss) on ordinary activities after taxation	250	150
Retained earnings at the start of the period	-	(2)
Deed of Covenant payable to the Corporation	(250)	(148)
Retained earnings at the end of the period	-	-

<b>Summarised balance sheet</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Current assets	27	747
Creditors: amounts falling due within one year	(27)	(747)
Net assets	-	-
Called up share capital	-	-
Profit and loss account	-	-
	-	-

## 9 Share capital

	<b>2022 £'000</b>	<b>2021 £'000</b>
Allotted called up and fully paid 25,000 ordinary shares of £1 each	25	25

The share capital comprises ordinary shares which carry full voting rights with no restrictions attached to them.

## 10 Ultimate Controlling Party

The company is a wholly owned subsidiary of The Corporation of the Hall of Arts and Sciences, which is incorporated by Royal Charter and is a registered charity in England and Wales, Charity Registration No. 254543.

**11 Related party transactions**

The financial statements have been consolidated within those of The Corporation of the Hall of Arts and Sciences and therefore in accordance to section 33.1A of FRS 102 transactions with this entity have not been separately disclosed.

Directors received £6k (2021: £10k) during 2022 in respect of rebate income collected during 2021. At the year-end there was a total of £19k (2021: £6k) due to Directors in respect of rebate income collected during 2022 which will be paid across in 2023.