

Registered No: 1539294

ROYAL ALBERT HALL DEVELOPMENTS LIMITED

**Directors' Report & Accounts
for the year ended 31 December 1997**



ROYAL ALBERT HALL DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1997

The Directors submit their report and audited accounts of the Company for the year ended 31 December 1997.

ACTIVITIES

The Company's main activities during the year were the licensing of the Royal Albert Hall to third parties, the licensing of boxes to Corporate clients; the receipt of income from services provided to patrons of the Royal Albert Hall by concessionaires appointed by the Company, from tours of the Hall, from the marketing of showcases and from mailing list subscribers.

RESULTS

The Company made a profit of £1,390,935 (1996 £1,295,511) before making a deed of covenant payment of £1,377,355 (1996 £1,299,882) to the Corporation of the Hall of Arts and Sciences. A loss of £140 (1996 £4,371) was transferred to reserves.

DIRECTORS

The Directors of the Company during the year were:-

Mrs Anthony Travis - Chairman	(resigned 18th February 1997) (re-appointed 20th May 1997)
Mr P L Deuchar	(resigned 30th November 1997)
Mr C P Fairweather FCA	(appointed 18th February 1997)
Mr P M Franklin-Adams ACII	(resigned 18th February 1997)
Mr H Gould OBE JP BA DL FCA	(resigned 22nd July 1997)
Mr G A Humphreys	(resigned 18th February 1997)
Mr D W R Lewis	(resigned 18th February 1997)
Mr P J Middleton BA	(appointed 18th February 1997)
Mrs Michael Moore	
Mr C S W Palmer OBE	(resigned 18th February 1997)

None of the Directors had any beneficial interest in the Company's shares at any time during the year.

ROYAL ALBERT HALL DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1997 (Continued)

STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS OF ROYAL ALBERT HALL DEVELOPMENTS LIMITED

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

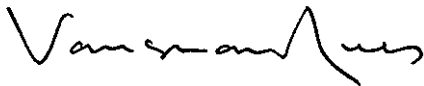
The Directors consider that, in preparing the financial statements on pages 4 to 9, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to be re-appointed and a resolution seeking their re-appointment will be proposed at the Annual General Meeting.



F V FEES OBE
COMPANY SECRETARY

17 March 1998

ROYAL ALBERT HALL DEVELOPMENTS LIMITED

AUDITORS' REPORT TO THE MEMBERS OF ROYAL ALBERT HALL DEVELOPMENTS LIMITED

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 2 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants and Registered Auditors
Southwark Towers
32 London Bridge Street
London SE1 9SY

17 March 1998

ROYAL ALBERT HALL DEVELOPMENTS LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1997

	Notes	1997 £	1996 £
Turnover	2	3,243,761	2,884,480
Cost of Activities		<u>1,985,807</u>	<u>1,684,132</u>
Operating Profit	3	<u>1,257,954</u>	<u>1,200,348</u>
Net Interest Receivable	4	<u>132,981</u>	<u>95,163</u>
Profit for the year before payment under Deed of Covenant to the Corporation		1,390,935	1,295,511
Payment of Deed of Covenant to the Corporation	6	<u>1,377,355</u>	<u>1,299,882</u>
Profit/(loss) on ordinary activities before taxation		13,580	(4,371)
Tax on profit / (loss) on ordinary activities	7	<u>(13,720)</u>	<u>0</u>
Loss for the financial year		(140)	(4,371)
Reserves Brought Forward		<u>(24,855)</u>	<u>(20,484)</u>
Reserves Carried Forward		<u><u>(24,995)</u></u>	<u><u>(24,855)</u></u>

Turnover and operating profit relate solely to activities from continuing operations.

There are no recognised gains and losses other than those included in the profit and loss account.

The notes on pages 6 to 9 form part of these accounts.

ROYAL ALBERT HALL DEVELOPMENTS LTD

BALANCE SHEET AS AT 31 DECEMBER 1997

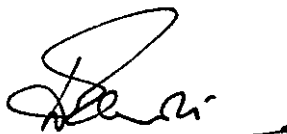
	Notes	1997 £	1996 £
CURRENT ASSETS			
Debtors	8	1,849,417	1,654,995
Cash at bank and in hand		<u>2,799,834</u>	<u>1,962,907</u>
		4,649,251	3,617,902
CREDITORS			
Amounts falling due within one year	9	<u>4,649,246</u>	<u>3,617,757</u>
NET CURRENT ASSETS		<u>5</u>	<u>145</u>
NET ASSETS		<u>5</u>	<u>145</u>
EQUITY CAPITAL AND RESERVES			
Called up Share Capital	10	25,000	25,000
Profit and Loss Account		(24,995)	(24,855)
EQUITY SHAREHOLDERS' FUNDS	13	<u>5</u>	<u>145</u>

Approved by the Board of Directors on 17 March 1998

Director



Director



The notes on pages 6 to 9 form part of these accounts.

ROYAL ALBERT HALL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention and applicable accounting standards.

Turnover

Turnover is stated net of value added tax and comprises amounts receivable from licensings of the Royal Albert Hall assigned to the Company by the Corporation, from licensing of boxes, concessions, advertising, tours and mailing list subscriptions.

2. TURNOVER

Turnover relates solely to activities undertaken in the UK from the following activities:

	1997 £	1996 £
Licensings of the Royal Albert Hall and boxes	2,539,445	2,135,812
Concessions granted	663,428	700,492
Advertising, tours and subscriptions	40,888	48,176
	<u>3,243,761</u>	<u>2,884,480</u>

3. OPERATING PROFIT

The operating profit for the year is stated after charging:

	1997 £	1996 £
Auditors' remuneration	<u>4,708</u>	<u>4,500</u>

ROYAL ALBERT HALL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Retained loss for the year	(140)	(4,371)
Equity Shareholders' funds brought forward	<u>145</u>	<u>4,516</u>
Equity Shareholders' funds carried forward	<u>5</u>	<u>145</u>