

ROH Developments Limited

**Directors' report and financial
statements**

Registered number 2580400

31 March 2006



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2006.

Principal activities and business review

The principal activity of the company is the development of property for both commercial use and the artistic activities of the Royal Opera House Covent Garden Limited.

Results

The results for the year are set out on page 4. The directors do not recommend the payment of a dividend (2005: £nil).

Directors and directors' interests

The directors of the company who held office during the year and since the year end were as follows:

Sir Stuart Lipton (Chairman)
DJ Fairclough
JC Seekings

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company. No rights to subscribe for shares in the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the next Annual General Meeting.

By order of the board



JC Seekings
Director

Royal Opera House
Covent Garden
London
WC2E 9DD

12 September 2006

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 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; 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They 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.



KPMG LLP

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Report of the independent auditors to the members of Royal Opera House Developments Limited

We have audited the financial statements of Royal Opera House Developments Limited for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of Royal Opera House Developments Limited *(continued)*

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

15 September 2006

Profit and loss account

for the year ended 31 March 2006

	Note	2006 £	2005 £
Turnover	2	1,898	3,113
Cost of sales		-	(5,000)
		<hr/>	<hr/>
Gross profit/ (loss)		1,898	(1,887)
Property and other costs		(15,000)	(17,185)
Other income		5,000	-
		<hr/>	<hr/>
Operating (loss)/profit		(8,102)	(19,072)
Other interest receivable and similar income	5	13,309	64,011
Interest payable and similar charges	6	-	(85)
Deed of covenant	7	(5,207)	(44,854)
		<hr/>	<hr/>
Result before taxation	3	-	-
Tax		-	-
		<hr/>	<hr/>

Result for the financial year

The company had no recognised gains or losses other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

The turnover and loss for the financial year for the current and previous periods are derived from continuing operations. The results on a historic cost basis do not differ from those shown above.

Balance sheet

at 31 March 2006

	Note	2006 £	2005 £
Current assets			
Debtors - due within one year	8	7,761	89,373
Cash at bank and in hand		344,822	283,066
		<u>352,683</u>	<u>372,439</u>
Creditors: amounts falling due within one year	9	(30,167)	(50,023)
		<u>322,416</u>	<u>322,416</u>
Net assets			
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	12	322,414	322,414
		<u>322,416</u>	<u>322,416</u>
Equity shareholders' funds	13		
		<u>322,416</u>	<u>322,416</u>

These financial statements were approved by the board of directors on 12 September 2006 and were signed on its behalf by:



JC Seekings
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

The following new standards have been adopted for the first time in these financial statements:

- FRS 21 *Events after the balance sheet date*;
- The presentation requirements of FRS 25 *Financial instruments: presentation and disclosure*; and
- FRS 28 *Corresponding amounts*.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption.

As a result of the group adoption of FRS 21, dividends unpaid at the balance sheet date are only recognised at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements. The adoption of the standard had no material effect on the financial statements.

The adoption of FRS 25 had no significant impact on presentation in the financial statements.

FRS 28 *Corresponding amounts* has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

Basis of preparation

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

As the company is a wholly owned subsidiary of Royal Opera House Covent Garden Limited, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities that form part of the group. The consolidated financial statements of Royal Opera House Covent Garden Limited, within which this company is included, can be obtained from the address given in note 14.

Financial Reporting Standard 1

The company is exempt from including a cash flow statement as part of its financial statements as it is a wholly owned subsidiary of Royal Opera House Covent Garden Limited and its cash flows are included within the consolidated cash flow statement of that group.

Turnover

Turnover represents amounts (excluding value added tax) derived from fees charged for development services at Royal Opera House Covent Garden.

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

There is no current or deferred tax in this or previous years as the company covenants all its taxable profits to the Royal Opera House Covent Garden Limited, a charity exempt of tax, and has stated its intention to always do so in future. Therefore no tax reconciliation has been presented in these financial statements.

2 Analysis of turnover

	2006 £	2005 £
<i>By activity</i>		
Development fees	1,898	3,113
	<u> </u>	<u> </u>

3 Result for the financial year

The auditors' remuneration has been borne by the parent company (note 1).

4 Directors and staff

None of the directors who served during the year received any remuneration for their services as directors (2005: £nil). The company had no employees (2005: £nil).

5 Other interest receivable and similar income

	2006 £	2005 £
Bank interest	13,309	64,011
	<u> </u>	<u> </u>

Notes *(continued)*

6 Interest payable

	2006 £	2005 £
Bank loans and overdrafts	-	85

7 Deed of covenant

The deed of covenant is payable to Royal Opera House Covent Garden Limited. The gross amount payable for the year under the deed of covenant is £5,207 (2005: £44,854).

8 Debtors

	2006 £	2005 £
Other debtors	1,512	-
Amounts owed by parent undertaking	1,808	85,687
Prepayments and accrued income	4,441	3,686
	<u>7,761</u>	<u>89,373</u>

9 Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	167	164
Amounts owed to parent undertakings	5,207	5,000
Other creditors, including taxation	-	18,993
Accruals and deferred income	24,793	25,866
Dividend payable	-	-
	<u>30,167</u>	<u>50,023</u>

10 Deferred tax

There is no deferred tax provision at 31 March 2006 or 31 March 2005 on the basis that there are no timing differences at the end of either period.

Notes (continued)

11 Called up share capital

	2006 £	2005 £
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted and called up:</i>		
2 ordinary shares of £1 each - fully paid up	2	2
	<hr/>	<hr/>

12 Reserves

	Profit and loss account £
At beginning of year	322,414
Result for the year	-
	<hr/>
At end of year	322,414
	<hr/>

13 Reconciliation of movements in equity shareholders' funds

	2006 £	2005 £
Result for the financial year	-	-
Dividend Payable	-	-
Opening equity shareholders' funds	322,416	322,416
	<hr/>	<hr/>
Closing equity shareholders' funds	322,416	322,416
	<hr/>	<hr/>

14 Ultimate parent undertaking

The company is a subsidiary undertaking of ROH Holdings Limited whose principal place of business is in England.

The largest and smallest group in which the results of the company are consolidated is that headed by Royal Opera House Covent Garden Limited, who is the ultimate parent undertaking. The consolidated accounts of this group are available from the Secretary, Royal Opera House, Covent Garden, London, WC2E 9DD.