

ROH Developments Limited

**Directors' report and financial
statements**

Registered number 02580400

For the year ended 31 August 2021



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 2021. Comparatives are presented for the year ended 31 August 2020.

The directors' report has been prepared with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Principal activities and business review

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

Registered company address

Royal Opera House
Covent Garden
London
WC2E 9DD

Results

The results for the year are set out on page 7. The directors do not recommend the payment of a dividend (2020: nil).

Going Concern

The Directors must satisfy themselves as to ROH Developments Limited's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. From the beginning of the pandemic the Directors of ROH Developments Limited have monitored the situation to understand if there will be any impact on the company. After consideration of the scenarios the Directors consider that ROH Developments Limited has adequate resources to continue in operational existence for the foreseeable future. For this reason the financial statements have been prepared on a going concern basis.

Directors and directors' interests

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

Alex Beard CBE
Mindy Kilby

Directors benefitted from qualifying third party indemnity provisions in place.

Company Secretary

Leah Hurst

Donations

The company had no profit to be donated in the period to Royal Opera House Covent Garden Foundation (2020: £511).

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

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

On behalf of the board

Alex Beard CBE
Chairman

Alex Beard

Royal Opera House
Covent Garden
London, WC2E 9DD
29 March 2022

Statement of directors' responsibilities

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland). 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 and 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 judgements 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.

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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the board



Alex Beard CBE

Director

29/3/2022

Independent auditor's report to the members of ROH Developments Limited

Opinion

We have audited the financial statements of ROH Developments Limited (the 'company') for the year ended 31 August 2021, which comprise Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2021 and of its loss 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We are responsible for concluding 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 report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 directors' report.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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 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

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company. We determined the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), the Companies Act 2006 and the Data Protection Act 2018
- We understood how the company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, and through our legal and professional expenses review.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
 - Challenging assumptions and judgments made by management in its significant accounting policies
 - Identifying and testing journal entries
 - Identifying and testing related party transactions
 - Inspecting the board minutes
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
 - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of income.
- We did not identify any matters relating to non-compliance with laws and regulation and fraud.

ROH Developments Limited: Company Number 02580400

Directors' report and financial statements

For the year ended 31 August 2021

- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The company's operations, including the nature of its revenue sources, to understand the classes of transactions, accounts balances, expected financial statement disclosures and business risks that may result in risks of material misstatement, and
 - The company's control environment, including:
 - Management's knowledge of relevant laws and regulations and how the company is complying with those laws and regulations
 - The adequacy of procedures for authorisation of transactions and review of management accounts, and
 - Procedures to ensure that possible breaches of laws and regulations are appropriately resolved

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.

Michael Redfern
Michael Redfern
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
29 March 2022

Statement of Income and Retained Earnings

for the year ended 31 August 2021

	Note	2021 £	2020 £
Turnover		-	-
Gross profit		-	-
Operating result		-	-
Other interest receivable and similar income	4	(94)	511
Loss on ordinary activities before taxation		(94)	511
Taxation	6	-	-
Loss for the period	2	(94)	511
Retained earnings at beginning of period		320,161	320,161
Gift aid distributed to parent	5	-	(511)
Retained earnings at end of period		320,067	320,161

The turnover and result 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.

Notes from pages 9 to 12 form part of the financial statements.

ROH Developments Limited: Company Number 02580400
 Directors' report and financial statements
 For the year ended 31 August 2021

Balance sheet

at 31 August 2021

	Note	2021 £	2020 £
Current assets			
Debtors	7	4,115	4,245
Cash at bank and in hand		370,534	371,008
		<u>374,649</u>	<u>375,253</u>
Creditors: amounts falling due within one year	8	(54,580)	(55,091)
		<u>320,069</u>	<u>320,163</u>
Net assets			
Capital and reserves			
Called up share capital	9	2	2
Retained earnings		320,067	320,161
		<u>320,069</u>	<u>320,163</u>
Equity shareholders' funds	10		
		<u>320,069</u>	<u>320,163</u>

The accounts have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

These financial statements were approved by the board of directors on 29 March 2022 and were signed on its behalf by:

Alex Beard

Alex Beard CBE
 Director

Notes from pages 9 to 12 form part of the financial statements.

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.

Basis of preparation

The financial statements have been prepared in accordance with FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland. There are no material departures from that standard in these financial statements.

The company's business activities are set out in the principal activities and business review on page 1. The company has significant cash reserves which it uses to finance its day-to-day working capital requirements.

The company meets the definition of a qualifying entity under FRS 102 as the results of the company are consolidated into the Royal Opera House Covent Garden Foundation's financial statements which are publicly available. In accordance with FRS 102 S1.12, the company has taken advantage of the exemptions in respect of the preparation of a cash flow statement, disclosure of the remuneration of key management personnel and the disclosure of financial instruments.

As the company is a wholly owned subsidiary of Royal Opera House Covent Garden Foundation, the company has taken advantage of the exemption contained in FRS 102 S33.1A 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 Foundation, within which this company is included, can be obtained from the address given in note 11.

The financial statements are for the year ended 31 August 2021. Comparatives are for the year ended 31 August 2020.

Going Concern

The directors consider that the going concern assumption is an appropriate basis on which to prepare these financial statements. After monitoring the potential impact of the pandemic on the company, the directors consider that ROH Developments Limited has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason, the financial statements have been prepared on a going concern basis.

Judgements and Estimates

In assessing the intra-group balances, management have concluded that the amounts are repayable on demand and thus do not require discounting, nor disclosure in debtors or creditors falling due after one year. Management have also exercised their judgement in determining the recoverability of debtors.

Functional Currency

The company operates primarily economically in the UK and the functional currency as well as the reporting currency is the pound sterling.

Revenue Recognition

Interest income is recognised through the Statement of Income and Retained Earnings, using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts to the carrying amount of the financial asset. As interest income is earned on cash in sterling bank accounts with reputable institutions only, the effective interest rate is the same as the rate paid by the banking institution.

Taxation

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

Notes (continued)

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 FRS102.

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

Assets

Assets are resources which are controlled by the company as a result of a past event, from which future economic benefits are expected to flow to the company. Assets are recognised only when it is probable that future economic benefits will flow to the company when the item has a cost or value that can be measured reliably.

Debtors

Debtors fall into the definition of assets and encompass trade debtors, accrued income, prepayments and intra-group balances. Debtors are measured at the cost of the transaction as receipt is not deferred beyond normal terms. Measurement is net of provision for doubtful debts.

Liabilities

Liabilities arise when there is a present obligation (legal or constructive) as a result of a past event, from which future economic benefits are expected to flow to the supplier or counterparty. Liabilities are recognised only when it is probable that future economic benefits will flow to the supplier or counterparty and when the item has a cost or value that can be measured reliably.

Creditors

Creditors fall into the definition of liabilities and encompass trade creditors, accruals for costs not yet billed or processed, deferred income and intra-group balances. Creditors are measured at the cost of the transaction as payment is not deferred beyond normal terms.

Notes (continued)

2 Result for the financial year

The auditor's remuneration has been borne by the parent company. The company's allocation was £5,000 for the current period (2020: £5,000). Amounts receivable by the company's auditors and their associates in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, Royal Opera House Covent Garden Foundation.

3 Directors and staff

None of the directors who served during the year received any remuneration for their services as directors (2020: nil). The company had no employees (2020: nil).

4 Other interest receivable and similar income

	2021 £	2020 £
Bank interest	(94)	511
	<u> </u>	<u> </u>

5 Gift Aid

The gift aid payment is made to the Royal Opera House Covent Garden Foundation. The gross amount payable for the year ended 31 August 2021 is nil (2020: £ 511).

6 Taxation

No UK corporation tax has arisen in the period (year ended 31 August 2020: £97). No deferred tax has arisen in the year ended 31 August 2021 (year ended 31 August 2020: nil).

There are no unrecognised deferred tax assets or liabilities at the 31 August 2021 (31 August 2020: nil)

7 Debtors

	2021 £	2020 £
Amounts owed by parent undertaking	3,910	3,910
Prepayments and accrued income	205	335
	<u> </u>	<u> </u>
	4,115	4,245
	<u> </u>	<u> </u>

Notes (continued)**8 Creditors: amounts falling due within one year**

	2021 £	2020 £
Amounts owed to parent undertakings	54,580	55,090

9 Share capital

	2021 £	2020 £
<i>Allotted and called up:</i>		
2 ordinary shares of £1 each - fully paid up	2	2

10 Reconciliation of movements in equity shareholder's funds

	2021 £	2020 £
Shareholder's funds at the beginning of the period	320,163	320,163
Loss for the period	(94)	-
Shareholder's funds at the end of the period	320,069	320,163

11 Ultimate parent undertaking

The Company, which is incorporated in the United Kingdom, is a subsidiary undertaking of Royal Opera House Covent Garden Foundation, which is the ultimate parent company incorporated in the United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by Royal Opera House Covent Garden Foundation, incorporated in the United Kingdom. The smallest group in which they are consolidated is that headed by Royal Opera House Covent Garden Foundation incorporated in the United Kingdom. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from the Secretary, Royal Opera House, Covent Garden, London, WC2E 9DD.