

ROH Developments Limited

Directors' report and financial statements

31 March 1996

Registered number 2580400



ROH Developments Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1-2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes	6-11

ROH Developments Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 1996.

Principal activities and business review

The principal activity of the company is the development of property. Sites acquired in previous years have been continued to be developed.

Income mainly represents amounts receivable from the rental of properties on the commercial site.

Results

The results for the year are set out on page 4. The directors do not recommend the payment of a dividend.

Directors and directors' interests

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

Sir Kit McMahon	(Chairman)
PC Jones	(resigned 4 May 1995)
RS Broadhurst	
Sir James Spooner	
C Timms	(appointed 4 May 1995; resigned 24 June 1996)
DJ Fairclough	(appointed 21 November 1995)
JC Seekings	(appointed 17 October 1995) <i>KM</i>

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.

ROH Developments Limited

Directors' report - *(continued)*

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Sir Kit McMahon
Chairman

45 Floral Street
London
WC2E 9DD

21. January 1997



PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Report of the auditors to the members of ROH Developments Limited

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of 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 March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

24 January 1997

ROH Developments Limited

Profit and loss account for the year ended 31 March 1996

	<i>Note</i>	1996 £	1995 £
Turnover	<i>1-2</i>	1,627,425	1,132,862
Cost of sales		(2,304)	(117,085)
Gross profit		1,625,121	1,015,777
Property and other costs		(68,455)	(88,360)
Trading profit		1,556,666	927,417
Other interest receivable and similar income		197,735	123,142
Interest payable		(642,641)	(537,652)
Deed of covenant payable	<i>5</i>	(1,200,000)	(646,304)
Loss for the financial year before and after taxation	<i>2-3</i>	(88,240)	(133,397)

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.

ROH Developments Limited

Balance sheet at 31 March 1996

	Note	1996 £	1995 £
Current assets			
Leasehold property	6	12,978,123	12,561,287
Work in progress	7	579,081	249,215
Debtors	8	1,085,421	362,885
Cash at bank and in hand	9	6,066,004	2,159,088
		<u>20,708,629</u>	<u>15,332,475</u>
Creditors: amounts falling due within one year	10	(2,432,610)	(883,216)
		<u>18,276,019</u>	<u>14,449,259</u>
Net current assets			
Creditors: amounts falling due after more than one year	11	(9,500,000)	(6,000,000)
		<u>8,776,019</u>	<u>8,449,259</u>
Net assets			
Capital and reserves			
Called up share capital	12	2	2
Other reserves	13	9,000,000	8,585,000
Profit and loss account	13	(223,983)	(135,743)
		<u>8,776,019</u>	<u>8,449,259</u>
Equity shareholders' funds	14		

These financial statements were approved by the board of directors on ^{21 January 1997} and were signed on its behalf by:

Kit McMahon

Sir Kit McMahon
Chairman

ROH Developments Limited

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 applicable accounting standards, and under the historical cost accounting rules.

Financial Reporting Standard 1

The company is exempt from including a cash flow statement as part of its financial statements on the basis that it is entitled to the exemptions available under sections 246-249 of the Companies Act 1985 for small companies.

Leasehold properties and work in progress

Leasehold properties gifted to the company are initially recorded at the valuation as at the date of the gift. Subsequent expenditure is included in work in progress until the property is complete, at which time it is added to the carrying value of leasehold properties. Interest incurred on loans funding work in progress is capitalised. Leasehold properties and work in progress are written down to realisable value if lower.

Turnover

Turnover represents amounts (excluding value added tax) derived from rental income of leasehold properties and fees charged for development services.

2 Analysis of turnover

	1996 £	1995 £
<i>By activity</i>		
Rent receivable	1,206,077	954,080
Development fees	417,637	176,364
Other charges	3,711	2,418
	<hr/>	<hr/>
	1,627,425	1,132,862
	<hr/>	<hr/>

ROH Developments Limited

Notes (continued)

3 Loss for the financial year

The auditors' remuneration has been borne by a related company. Given the result for the year, there is no liability to corporation tax.

4 Directors and staff

None of the directors who served during the year received any remuneration for their services as directors (1995: £nil). The company had no employees (1995: nil).

5 Deed of covenant

The deed of covenant is payable to The Royal Opera House Development Land Trust.

6 Leasehold properties

The company acquired the 250 year lease to the premises of 4-9 James Street in September 1992. It also acquired a 250 year lease to the premises of 51-54 Long Acre in September 1994. Both leaseholds were gifts from The Royal Opera House Development Land Trust and are held with the intention of resale. Those properties are shown in the balance sheet at valuation at the commencement of the lease as agreed by the District Valuer, together with development costs of completed properties. In determining the cost of leasehold properties, interest of £170,111 (1995: £170,111) on a bank loan is included.

7 Work in progress

	1996 £	1995 £
Work in progress	<u>579,081</u>	<u>249,215</u>

In determining the cost of work in progress, interest of £54,871 (1995: £21,124) on a bank loan is included.

ROH Developments Limited

Notes (continued)

8 Debtors

	1996 £	1995 £
Amounts owed by parent undertaking	100	-
Other debtors	740,093	278,013
Prepayments and accrued income	345,228	84,872
	<u>1,085,421</u>	<u>362,885</u>

9 Cash at bank and in hand

There is a charge over £5,000,000 (1995:£1,500,000) held on deposit. This security is given in respect of part of the liabilities of The Royal Opera House Development Land Trust, the ultimate parent of the company.

10 Creditors: amounts falling due within one year

	1996 £	1995 £
Trade creditors	999,160	114,555
Amounts owed to parent undertaking	5,000	5,000
Other creditors, including taxation	158,383	216,032
Accruals and deferred income	1,270,067	547,629
	<u>2,432,610</u>	<u>883,216</u>

ROH Developments Limited

Notes (continued)

11 Creditors: amounts falling due after more than one year

	1996	1995
	£	£
Mortgages falling due:		
30 December 2002	5,600,000	5,600,000
29 December 1998	400,000	400,000
30 December 2002	3,500,000	-
	<hr/>	<hr/>
	9,500,000	6,000,000
	<hr/>	<hr/>

Mortgages totalling £6,000,000 are at fixed interest rates approximating to 9.4% until 29 December 1998 and then at three month LIBOR plus 1.375%. The remaining amount is at the interest rate of three month LIBOR plus 1.375%.

All the mortgages are secured on the lease of 4-9 James Street.

12 Called up share capital

	1996	1995
	£	£
<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/>

ROH Developments Limited

Notes (continued)

13 Reserves

	Other reserves	Profit and loss account	Total
	£	£	£
At beginning of year	8,585,000	(135,743)	8,449,257
Adjustment	415,000	-	415,000
Retained profit for the year	-	1,111,760	1,111,760
Covenanted profit	-	(1,200,000)	(1,200,000)
	<hr/>	<hr/>	<hr/>
At end of year	9,000,000	(223,983)	8,776,017
	<hr/>	<hr/>	<hr/>

The other reserves represent the value of leasehold interests gifted to the company as at the date of transfer. The adjustment arises from the finalising during the year of the valuation of the property at 51-54 Long Acre. The valuations are based on the leases as at the date of grant and before any development of the property.

14 Reconciliation of movements in equity shareholders' funds

	1996 £	1995 £
Loss for the financial year	(88,240)	(133,397)
Adjustment to valuation	415,000	4,254,000
Opening equity shareholders' funds	8,449,259	4,328,656
	<hr/>	<hr/>
Closing equity shareholders' funds	8,776,019	8,449,259
	<hr/>	<hr/>

15 Post balance sheet event

On 4 April 1996, land and buildings at Russell Street, Bow Street, Floral Street, James Street, and the North and East Piazza were transferred to the company from the Royal Opera House Development Land Trust under a 250 year lease starting 25 December 1995.

ROH Developments Limited

Notes *(continued)*

16 **Ultimate parent undertaking**

The company is a subsidiary undertaking of The Royal Opera House Development Land Trust which is the ultimate parent undertaking whose principal place of business is in England.

The largest group in which the results of the company are consolidated is that headed by The Royal Opera House Development Land Trust. The consolidated accounts of this group are available from the Charity Commissioners. The smallest group in which they are consolidated is that headed by ROH Holdings Limited, registered in England and Wales, whose accounts are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.