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ROYAL OPERA HOUSE ENTERPRISES LIMITED

Financial Statements

Registered number 4112266

For the 52 week period ended 26 August 2018

Contents

Directors' report for the 52 week period ended 26 August 2018

The directors present their report together with the audited financial statements for the 52 week period ended 26 August 2018. The comparative period is the 52 week period ended 27 August 2017.

Principal activity

The principal activities of the Company are the provision of catering to customers and staff of the Royal Opera House, the sponsorship of Royal Opera House productions, multimedia production and distribution, hire of allocated spaces within the Royal Opera House, the sale of merchandise through the Royal Opera House shop, the sale of advertising through the Royal Opera House programmes and the licensing of the Royal Opera House brands.

Registered company address
Royal Opera House
Covent Garden
London WC2E 9DD

Incorporated in England.

Dividends

No dividends were paid in the period (*52 week period ended 27 August 2017: nil*). The directors do not recommend the payment of a dividend in respect of the period ended 26 August 2018 (*52 week period ended 27 August 2017: nil*).

Donations

The company made donations of £4.025m in the period *(52 week period ended 27 August 2017: £9.337m)*, under Gift Aid, to Royal Opera House Covent Garden Foundation, all of which was donated in respect of profits for the 52 week period ending 26 August 2018.

Directors

The directors who held office during the period were as follows:

Lady Heywood (Chairman)
Alex Beard CBE
Mindy Kilby (appointed 12 Dec 2017)
Sally O'Neill (retired 12 Dec 2017)
Ian Taylor

Company Secretary
Fiona Le Roy (retired 30 Sep 2018)
Ivan Daffern (appointed 1 Oct 2018)

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.

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.

On behalf of the board

Lady Heywood
Director
26 February 2019

Covent Garden
London
WC2E 9DD

Registered number 4112266

Strategic Report for the 52 week period ended 26 August 2018

Business review

The results for the period and financial position of the company are as shown in the audited financial statements. These record an operating profit of £4.025m for the 52 week period ended 26 August 2018 period (*52 week period ended 27 August 2017: £4.465m*).

After changing our distribution model in 2016/17, our cinema distribution continued to grow. Compared to the prior year, our UK distribution was up by 29% (£0.7m) and international distribution increased by 19% (£0.3m) and continued to grow. We had a successful visit from the Pet Shop Boys in the 2018 summer season, with income in line with both the prior year and our expectations.

We had the final year of the impact from the Open Up project on three main areas of the Enterprises business – catering, retail and venue hires – resulting in £0.6m less turnover compared to the prior year. This was anticipated in our planning for the capital project, and the actual results in catering exceeded our original expectations. The Open Up project aims to enhance the experience of coming to the Royal Opera House for audiences, artists and guest companies by significantly improving public circulation, retail and foyer spaces alongside a complete refit of the Linbury Theatre. Turnover was down compared to prior year for both corporate events sponsorship and DVD sales, combined impact on turnover of £0.6m. Remaining areas of the business performed broadly in line with financial plans.

Gross profit and operating profit for the period both decreased by £0.4m. The decrease in operating profit is attributable to the reduced profits from those areas impacted by Open Up, as described above, and costs for the 2018 summer season due to the difference in the promotions model as compared to the hires model. All other areas of the business achieved profits comparable to the prior year.

The Board of Directors monitored the financial results on a regular basis, considering performance against budget, forecast and other key trading indicators.

Future plans

As per the notes to the accounts, we entered into an agreement to sell the Opus Arte label on 3 September 2018 and the effective date of the transaction was 31 October 2018. We will continue to receive income from our titles through exploitation, but will no longer run the label itself ensuring that we focus on core strategic priorities. A significant change to the company's future operations arises after the completion of the Open Up project and the re-opening of the new and improved spaces. We will welcome daytime visitors into the building with an enlarged shop by the Piazza entrance, a new coffee shop in the main foyer, and improved bar and restaurant facilities in the Linbury and Amphitheatre foyers, supported by a new retail strategy, a catering offer for daytime and performance-related visitors, and a return to venue hires. We will also continue to grow the reach of our live cinema programme within the UK and internationally.

Risks and uncertainties

The parent company, Royal Opera House Covent Garden Foundation, has a risk management strategy in place and its trustees receive regular reports. The risk management strategy for Royal Opera House Covent Garden Foundation includes addressing the risks for Royal Opera House Enterprises Limited as it is a wholly owned subsidiary. There are systems in place to mitigate identified risks.

Looking ahead to the next period we consider the most significant risks to be the delivery from Open Up of revenues at the levels expected once the new spaces have been re-opened and the impact of the sale of the Opus Arte label. We will seek to mitigate these risks by further continued development of our live cinema programme combined with applying downward pressure on costs associated with all of our business lines.

Key performance indicators

In monitoring the performance of the company, the Board of Directors have chosen a number of key performance indicators to monitor the progress and ensure the business is on track to deliver its strategy. These include: turnover; operating profit; and overall results against budget. During the period a reforecast was completed, and these three KPIs were monitored against the reforecast, all of which were achieved.

On behalf of the board

Lady Heywood
Director
26 February 2019

Covent Garden
London
WC2E 9DD

Registered number 4112266

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements for the 52 week period ended 26 August 2018

The directors are responsible for preparing the Directors' Report and Strategic 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.

Independent auditor's report to the members of Royal Opera House Enterprises Limited

Opinion
We have audited the financial statements of Royal Opera House Enterprises Limited (the 'company') for the period ended 26 August 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 26 August 2018 and of its profit for the period 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.

Who we are reporting to
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.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information included in the directors' report, strategic report and statement of directors' responsibilities set out on pages 3 to 5, 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 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 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 strategic report or 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 company's 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 for the financial statements
As explained more fully in the statement of directors' responsibilities set out on page 5, 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.

Grant Thornton UK LLP

Carol Rudge
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

26 February 2019

Statement of Comprehensive Income

for the 52 week period ended 26 August 2018

	Note	**52 week period ended 26-Aug 2018 £'000**	52 week period ended 27-Aug 2017 £'000
Turnover		**17,932**	18,134
Cost of sales		**(12,552)**	(12,320)
Gross profit		**5,380**	5,814
Administration expenses		**(1,323)**	(1,314)
Operating profit before interest		**4,057**	4,500
Interest payable and similar charges	*5*	**(32)**	(35)
Operating profit		**4,025**	4,465
Profit before taxation	*2*	**4,025**	4,465
Taxation	*6*	**-**	-
Taxation charge for current year's profits		(781)	(741)
Taxation relief for current year's profits		781	741
Profit for the financial period		**4,025**	4,465

There is no difference between the profit on an historical cost basis and that shown in the Statement of Comprehensive Income.

The revenue and profit for the period are derived from continuing operations. The company had no recognised gains or losses other than those included in the Statement of Comprehensive Income and Statement of Changes in Equity.

The notes on pages 11-18 form part of these financial statements.

Balance sheet

As at 26 August 2018

	Note	26-Aug 2018 £'000	27-Aug 2017 £'000
Fixed assets			
Intangible fixed assets	7	171	196
Tangible fixed assets	8	-	-
Total fixed assets		171	196
Current assets			
Stocks	9	580	568
Debtors: amounts falling due after more than one year	10	1,755	1,114
Debtors: amounts falling due within one year	10	1,171	1,825
Cash at bank and in hand		413	854
		3,919	4,361
Creditors: amounts falling due within one year	11	(2,914)	(3,181)
Net current assets		1,005	1,180
Total assets less current liabilities		1,176	1,376
Creditors: amounts falling due after more than one year	12	(1,000)	(1,200)
Net assets		176	176
Shareholder's funds			
Share capital	13	126	126
Retained earnings		50	50
Total shareholder's funds		176	176

The notes on pages 11-18 form part of these financial statements.

These financial statements were approved by the board of directors on 26 February 2019 and were signed on its behalf by:

Lady Heywood
Director

26 February 2019

Registered number 4112266

Statement of Changes in Equity

As at 26 August 2018

	Share capital £'000s	Retained earnings £'000s	Total £'000s
Opening balance at 28 August 2016	126	4,922	5,048
Net profit after taxation	-	4,465	4,465
Donations under the gift aid scheme	-	(9,337)	(9,337)
in respect of profits for the period ended 28 August 2016	-	(4,096)	(4,096)
in respect of profits for the period ended 27 August 2017	-	(5,241)	(5,241)
Opening balance at 27 August 2017	126	50	176
Net profit after taxation	-	4,025	4,025
Donations under the gift aid scheme	-	(4,025)	(4,025)
Closing balance at 26 August 2018	126	50	176

The notes on pages 11-18 form part of these 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 the FRS102 accounting standard. There are no material departures from that standard in these financial statements and the triennial review for gift aid has been adopted.

The financial statements have been prepared on the going concern basis, and the directors believe that the company will continue in operational existence for the foreseeable future.

The company meets the definition of a qualifying entity under FRS102 as the results of the company are consolidated into the ROHCGF's financial statements which are publicly available. In accordance with FRS102 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 14.

Judgements and Estimates

Management have exercised their judgement in the following areas:

In deeming the intra-group balances, (except for the intra-group loan payable to the parent company, Royal Opera House Covent Garden Foundation (Limited by guarantee)), repayable on demand, these balances thus do not require discounting, nor disclosure in debtors or creditors falling due after one year.

The intra-group loan payable to the parent company, Royal Opera House Covent Garden Foundation (Limited by guarantee), is payable in equal annual instalments commencing in the 52 week period year ended 31 August 2014.

In assessing the useful lives of intangible and tangible fixed assets as well as any impairment provision required for those assets. See **Intangible Fixed Assets** and **Tangible Fixed Assets** below.

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

Turnover

Turnover represents the amounts derived from catering activities, multimedia production and distribution, sponsorship, venue hire, retail sales, concerts, advertising, licensing and other income. Revenue from venue hire, production sponsorship and concerts is recognised on the day of the event. Other commercial turnover is recognised when services are provided or for the sale of goods, when the significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will be realised and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from the sale of goods is measured at fair value after making provision in respect of future returns of goods and services supplied by the company prior to the balance sheet date. Income is deferred only to the extent that contractual obligations have not been met at period end.

Notes *(continued)*

1 Accounting policies *(continued)*

The turnover and profit before tax is attributable to the principal activity of the company and arose in the United Kingdom.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the Statement of Comprehensive Income.

Payment to parent charity under Gift Aid

Royal Opera House Enterprises Limited has adopted a policy of paying all its taxable profits to its parent charity, Royal Opera House Covent Garden Foundation, under Gift Aid. These gift aid payments are recognised in Royal Opera House Enterprises Limited as distributions through equity in the financial period in which the profits arise, under the terms of the Deed of Covenant between Royal Opera House Enterprises Limited and Royal Opera House Covent Garden Foundation.

Taxation

Any 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 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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounting basis.

Any taxation relief on donations under the gift aid scheme is shown in the Statement of Comprehensive Income where it is probable that the gift aid payment will be made within nine months of the period end date.

Intangible fixed assets

Intangible fixed assets are investment in programming costs, which are capitalised and amortised over the expected useful life, which is up to two years depending on format and the terms of licenses acquired. The costs capitalised are third party costs that include capture costs, physical media production costs, rights clearances, acquisition costs and other directly attributable costs. These assets are reviewed for impairment where events or changes in circumstances indicate that the carrying amount may not be recoverable. Any anticipated losses on individual projects are charged in the Statement of Comprehensive Income in the period where the event or change in circumstance occurred.

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.

Notes *(continued)*

1 Accounting policies *(continued)*

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 where payment is not deferred beyond normal terms. Where payment is deferred beyond normal terms, the creditor is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at annual rates on a straight-line basis to write off the cost of tangible fixed assets over their estimated useful lives. The principal rates used are as follows:

Fixtures & fittings	- 15 – 33%
Computer Equipment	- 33%

Stocks

Stock is stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Pension

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the Statement of Comprehensive Income.

Notes *(continued)*

2 Profit before taxation

The profit before taxation is stated after charging:

	52 week period ended 26-Aug 2018 £'000	52 week period ended 27-Aug 2017 £'000
Amortisation of investment in programming	**279**	341

None of the directors received any remuneration for their services as directors during the period *(2017: nil)*. The auditors' remuneration for the 52 week period ended 26 August 2018 was £12,000 in respect of audit services provided to the company and has been borne by the parent company (*for the 52 week period ended 27 August 2017: £12,000 borne by the parent company*).

3 Gift Aid

The gift aid payment is made to the Royal Opera House Covent Garden Foundation. The gross amount payable for the period ended 26 August 2018 is £4.025m, *(2017: £9.337m)*, all of which was donated in respect of profits for the 52 week period ending 26 August 2018.

Royal Opera House Enterprises Limited has adopted a policy of paying all its taxable profits to its parent charity, Royal Opera House Covent Garden Foundation, under Gift Aid. These gift aid payments are recognised in Royal Opera House Enterprises Limited as distributions through equity in the financial period in which the profits arise, under the terms of the Deed of Covenant between Royal Opera House Enterprises Limited and Royal Opera House Covent Garden Foundation.

Notes *(continued)*

4 Staff Costs

	52 week period ended 26-Aug 2018 £'000	52 week period ended 27-Aug 2017 £'000
Wages and salaries	**71**	134
Social security costs	**7**	14
Other pension costs	**7**	11
	85	159

Some staff are directly employed by the company, whilst other staff are employed by Royal Opera House Covent Garden Foundation undertaking activities on behalf of Royal Opera House Enterprises Limited and are re-charged at full cost which forms part of administration expenses. For the period ended 26 August 2018, £26,345 *(2017: £29,791)* contributions to a defined contribution plan is recognised in the Statement of Comprehensive Income.

5 Interest payable and similar charges

	52 week period ended 26-Aug 2018 £'000	52 week period ended 27-Aug 2017 £'000
Interest payable to Royal Opera House Covent Garden Foundation	**32**	35
	32	35

Interest payable to Royal Opera House Covent Garden Foundation represents interest on the loan (see Note 12), which is charged at a rate of 2% above the Bank of England base rate.

Notes *(continued)*

6 Taxation

UK corporation tax of £822,132 arose in the period (*52 week period ended 27 August 2017: £740,528, all of which was relieved under the expectation that the taxable profits will be distributed to the Royal Opera House Covent Garden Foundation within nine months of the period end date*). No deferred tax has arisen in the period *(52 week period ended 27 August 2017: nil)*.

There is no unrecognised deferred tax asset *(27 August 2017: £1,148, which was not recognised due to uncertainty over the timing of its recoverability)*.

7 Intangible fixed assets

	26-Aug 2018 £'000
Cost	
At beginning of period	12,730
Capitalised costs	254
At end of period	12,984
Amortisation	
At beginning of period	12,534
Charge for period	279
At end of period	12,813
Net book value at end of period	
At 26 August 2018	171
At 27 August 2017	196

8 Tangible fixed assets

	Fixtures & Fittings	**Computer Equipment**	**Total**
	£'000	**£'000**	**£'000**
Cost at beginning and end of the period	32	128	160
Accumulated depreciation at beginning and end of the period	32	128	160
Net book value at 26 August 2018 and 27 August 2017	-	-	-

Notes *(continued)*

9 Stocks

	26-Aug 2018 £'000	27-Aug 2017 £'000
Stocks - finished goods	**580**	568

During the 52 week period ended 26 August 2018, £634,002 (*52 week period ended 27 August 2017: £584,816*) of stock was expensed through the Statement of Financial Activities.

10 Debtors: amounts falling due after more than one year

	26-Aug 2018 £'000	27-Aug 2017 £'000
Prepayments	**1,400**	1,114
Other debtors	**355**	-
	1,755	1,114

Debtors: amounts falling due within one year

	26-Aug 2018 £'000	27-Aug 2017 £'000
Trade debtors	**947**	1,619
Prepayments and accrued income	**224**	206
	1,171	1,825

11 Creditors: amounts falling due within one year

	26-Aug 2018 £'000	27-Aug 2017 £'000
Trade creditors	**132**	188
Accruals and deferred income	**958**	688
Amount due to Royal Opera House Covent Garden Foundation	**1,824**	2,305
	2,914	3,181

Notes *(continued)*

12 Creditors: amounts falling due after more than one year

	26-Aug 2018 £'000	27-Aug 2017 £'000
Amount due to Royal Opera House Covent Garden Foundation	**1,000**	1,200
	1,000	1,200

Interest is charged on the unsecured loan from Royal Opera House Covent Garden Foundation at a rate of 2% above the Bank of England base rate.

13 Called up share capital

	26-Aug 2018 £'000	27-Aug 2017 £'000
Allotted, issued and fully paid:		
125,987 Ordinary shares of £1 each – fully paid up	**126**	126

14 Ultimate parent undertaking

The company 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 Royal Opera House, Covent Garden, London WC2E 9DD.

15. Post Balance Sheet Events

On 3 September 2018, the company entered into an agreement to sell the Opus Arte business (label). The effective date of the transaction was 31 October 2018.

For the period ended 26 August 2018, the Opus Arte label generated £1.7m *(52 week period ended 27 August 2017: £2m)* and incurred expenditure of £1.1m *(52 week period ended 27 August 2017: £1.0m)*. The net assets of this business were £0.6m (*52 week period ended 27 August 2017: £0.7m*).