

**Royal Opera House Covent Garden Trading
Limited**

**Directors' report and financial
statements**

Registered number 4001450
52 week period ending 25 March 2007

SATURDAY



AWN9ZWA7

A06

12/01/2008

39

COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Report of the independent auditors to the members of Royal Opera House Covent Garden Trading Limited	3
Profit and loss account	5
Balance sheet	6
Notes	7

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 25 March 2007

Principal activities and business review

The principal activities are the hire of allocated spaces within the Royal Opera House to non-arts individuals and organisations, the sale of gift merchandise through the Royal Opera House shop, the sale of advertising space in the Royal Opera House programmes and the licensing of the Royal Opera House brands

The results for the period are set out on page 5. The directors do not recommend the payment of a dividend (2006 £nil)

Directors and directors' interests

The directors who held office during the period were as follows

Sir David Lees
John Seekings
Sarah Kemp (appointed 12 September 2006)

Donations

The company donated its profits for the period of £645,677 (2006 £56,908), under Gift Aid, to Royal Opera House Covent Garden Limited

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 384 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



Sir David Lees
Director

Covent Garden
London
WC2E 7RY

11 September 2007

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 and applicable law (UK Generally Accepted Accounting Practice).

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 Covent Garden Trading Limited

We have audited the financial statements of Royal Opera House Covent Garden Trading Limited for the period ended 25 March 2007 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 Covent Garden Trading 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 25 March 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

12 September 2007

Profit and loss account

for the 52 week period ended 25 March 2007

	Note	2007 £	2006 £
Revenue	1	1,597,186	801,576
Cost of sales		(728,277)	(579,940)
Gross Profit		868,909	221,636
Administrative Expenses		(223,232)	(164,728)
Operating Profit		645,677	56,908
Grant to Royal Opera House Covent Garden Limited under gift aid	3	(645,677)	(56,908)
Retained profit for the period		-	-

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 prepared

There is no difference between the result on an historical cost basis and that shown in the profit and loss account

The revenue and result for the period are derived from continuing operations

Balance sheet

As at 25 March 2007

	Note	2007 £	2006 £
Current assets			
Stock	4	91,246	92,857
Cash at bank and in hand		1,885	1,894
		<u>93,131</u>	<u>94,751</u>
Creditors: amounts falling due within one year	5	(91,131)	(92,751)
		<u>2,000</u>	<u>2,000</u>
Net assets			
Capital and reserves			
Called up share capital	6	2,000	2,000
		<u>2,000</u>	<u>2,000</u>
Equity shareholders' funds	7		
		<u>2,000</u>	<u>2,000</u>

These financial statements were approved by the board of directors on 11 September 2007 and were signed on its behalf by



Sir David Lees
 Director



John 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

Basis of preparation

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

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements

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 FRS 8 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 9

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction (or, if hedged forward, at the rate of exchange under the related forward currency contract). 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 profit and loss account

Revenue

Revenue represents the amounts (excluding value added tax) derived from venue hire, retail sales, concerts, advertising and licensing activities. Revenue from venue hire and concerts is recognised on the day of the event

Stocks

Stock is stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads

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 FRS 19

There is no current or deferred tax in this or previous years as the company gift aids 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 the future. Therefore no tax reconciliation has been presented in these financial statements

2 Result for the period

None of the directors received any remuneration for their services as directors during the period

Under an agency agreement, Royal Opera House Covent Garden Trading Limited (ROHCGT) manages venue hire and commercial activities on behalf of its parent company, Royal Opera House Covent Garden Limited (ROHCG). Staff employed by ROHCG undertaking activities on behalf of ROHCGT are re-charged at full cost

The auditors' remuneration has been borne by the parent company

3 Gift Aid

The gift aid payment is made to the Royal Opera House Covent Garden Limited. The gross amount payable for the year is £645,677 (2006 £56,908)

4 Stock

	2007 £	2006 £
Goods held for resale	91,246	92,857

5 Creditors: amounts falling due within one year

	2007 £	2006 £
Amount owed to group undertakings	91,131	92,751

Notes (continued)

6 Called up share capital

	2007 £	2006 £
<i>Authorised, called up and fully paid</i>		
2,000 Ordinary shares of £1 each – fully paid up	2,000	2,000

7 Reconciliation of movement in shareholders' funds

	2007 £	2006 £
Opening and closing shareholders' funds	2,000	2,000

8 Contingent Liabilities

The company is registered for VAT purposes in a group of companies which share a common registration number. As a result it has jointly guaranteed the VAT liability of the group and failure by other members of the group to pay the VAT liability as it falls due would give rise to an additional liability for this company. The directors are of the opinion that no liability is likely to arise from the failure of other companies to pay the VAT liability.

9 Ultimate parent undertaking

The Company is a subsidiary undertaking of Royal Opera House Covent Garden Limited, 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 Limited, incorporated in the United Kingdom. The smallest group in which they are consolidated is that headed by Royal Opera House Covent Garden Limited 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.