

**Royal Opera House Covent Garden Trading
Limited**

**Directors' report and financial
statements**

Registered number 4001450
52 week period ending 28 March 2004



A02
COMPANIES HOUSE

ADPFU210

0303
18/01/05

Contents

Directors' report	1
Statement of directors' responsibilities	2
Report of the independent auditors to the members of Royal Opera House Covent Garden Trading Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 28 March 2004.

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, and the sale of gift merchandise through the Royal Opera House shop.

The results for the period are set out on page 4. The directors do not recommend the payment of a dividend (2003: £nil).

Directors and directors' interests

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

Sir David Lees
John Seekings
Anne Bulford

None of the directors who held office at the end of the financial period 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 period.

Donations

The company donated its profits for the period of £146,361 (2003: £202,520), under Gift Aid, to Royal Opera House Covent Garden Limited.

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

23 June 2004

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;
- state whether applicable 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 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.



PO Box 695
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 on pages 4 to 8.

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 are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 transactions with the company is not disclosed.

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 28 March 2004, and of its results for the 52 week period then ended, and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

*Chartered Accountants
Registered Auditor*

13 July 2004

Profit and loss account

for the 52 week period ended 28 March 2004

	Note	2004 £	2003 £
Revenue	1	735,022	802,352
Cost of sales		(465,250)	(476,027)
		<hr/>	<hr/>
Gross Profit		269,772	326,325
Administration		(123,411)	(123,805)
		<hr/>	<hr/>
Operating Profit		146,361	202,520
Grant to Royal Opera House Covent Garden Limited under gift aid	3	(146,361)	(202,520)
		<hr/>	<hr/>
Retained profit for the period		-	-
		<hr/>	<hr/>

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 28 March 2004

	Note	2004 £	2003 £
Current assets			
Stock	4	86,371	101,394
Debtors	5	59,990	101,126
Cash at bank and in hand		1,941	2,000
		<u>148,302</u>	<u>204,520</u>
Creditors: amounts falling due within one year	6	<u>(146,302)</u>	<u>(202,520)</u>
Net assets		<u>2,000</u>	<u>2,000</u>
Capital and reserves			
Called up share capital	7	<u>2,000</u>	<u>2,000</u>
Equity shareholders' funds	8	<u>2,000</u>	<u>2,000</u>

These financial statements were approved by the board of directors on 23.6.04 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 Financial Reporting Standard 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 10.

Revenue

Revenue represents the amounts (excluding value added tax) derived from venue hire, retail sales and concerts. 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.

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.

Notes (continued)

3 Gift Aid

The gift aid payment is due to the Royal Opera House Covent Garden Limited. The gross amount payable for the year is £146,361 (2003: £202,520).

4 Stock

	2004 £	2003 £
Goods held for resale	86,371	101,394

5 Debtors

	2004 £	2003 £
Amount owed by parent company	59,990	101,126

6 Creditors: amounts falling due within one year

	2004 £	2003 £
Accruals	146,302	202,520

7 Called up share capital

	2004	2003 £
<i>Authorised, called up and fully paid</i> 2,000 Ordinary shares of £1 each – fully paid up	2,000	2,000

Notes *(continued)*

8 Reconciliation of movement in shareholders' funds

	2004 £	2003 £
Result for the financial period	-	-
Net change in shareholders' funds	-	-
Opening shareholders' funds	2,000	2,000
Closing shareholders' funds	2,000	2,000

9 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.

10 Ultimate parent undertaking

The company is the subsidiary undertaking of Royal Opera House Covent Garden Limited, a company registered in England and Wales, which heads the smallest and largest group in which the results are consolidated. The consolidated financial statements of this group are available from The Royal Opera House, Covent Garden, London WC2E 7RY.