

**Royal Opera House Covent Garden Trading  
Limited**

**Directors' report and financial  
statements**

Registered number 4001450

Year ending 31 March 2002



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2002.

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

### Directors and directors' interests

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

Sir David Lees  
Christopher Sammes (resigned 2 January 2002)  
John Seekings

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 year of £120,738 (2001 - £61,984), under Gift Aid, to Royal Opera House Covent Garden Limited.

### Auditors

KPMG were re-appointed auditors on 10 January 2002. However since that date their audit practice was transferred to a limited liability partnership, KPMG LLP. Accordingly KPMG resigned as auditors on 4 July 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising.

By order of the board



Sir David Lees  
Director

Covent Garden  
London  
WC2E 9DD

10 September 2002

## 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.



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## **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.

### **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 31 March 2002, and of its results for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

2002

## Profit and loss account

for the year ended 31 March 2002

	Note	Year Ended 31 March 2002 £	44 week period ended 1 April 2001 £
Revenue	1	604,386	444,131
Cost of sales		(358,309)	(278,040)
<b>Gross Profit</b>		<b>246,077</b>	<b>166,091</b>
Administration		(125,339)	(104,107)
<b>Operating Profit</b>		<b>120,738</b>	<b>61,984</b>
Grant to Royal Opera House Covent Garden Limited under gift aid		(120,738)	(61,984)
<b>Profit on ordinary activities before tax</b>	2	<b>0</b>	<b>0</b>

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 31 March 2002

	Note	2002 £	2001 £
<b>Current assets</b>			
Stock	3	106,128	43,443
Debtors	4	14,610	18,541
Cash at bank and in hand		2,000	2,000
		<hr/>	<hr/>
		122,738	63,984
<b>Creditors: amounts falling due within one year</b>			
	5	(120,738)	(62,984)
		<hr/>	<hr/>
<b>Net assets</b>		2,000	1,000
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	6,7	2,000	1,000
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>		2,000	1,000
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 10 September 2002 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 9.

#### *Revenue*

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

#### *Stocks*

Stock is stated at the lower of cost and net realisable value.

### 2 Result for the year

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

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 Stock**

	2002 £	2001 £
Goods held for resale	106,128	43,443
	<u>          </u>	<u>          </u>

**4 Debtors**

	2002 £	2001 £
Amount owed by parent company	14,610	18,541
	<u>          </u>	<u>          </u>

**5 Creditors: amounts falling due within one year**

	2002 £	2001 £
Advance on share capital to be issued	0	1,000
Accruals	120,738	61,984
	<u>          </u>	<u>          </u>
	120,738	62,984
	<u>          </u>	<u>          </u>

**6 Called up share capital**

	2002 £	2001 £
<i>Authorised, called up and fully paid</i>		
2,000 Ordinary shares of £1 each – fully paid up	2,000	1,000
(2001: 1,000 Ordinary shares of £1 each – fully paid up)	<u>          </u>	<u>          </u>

During the year 1,000 £1 ordinary shares were issued to the parent company at par in exchange for cash.

**Notes** *(continued)*

**7 Reconciliation of movement in shareholders' funds**

	2002 £	2001 £
Profit for the financial year	-	-
New share capital subscribed	1,000	1,000
	<hr/>	<hr/>
Net increase to shareholders' funds	1,000	1,000
Opening shareholders' funds	1,000	-
	<hr/>	<hr/>
Closing shareholders' funds	2,000	1,000
	<hr/>	<hr/>

**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 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 9DD.