THE ROYAL OPERA HOUSE ENDOWMENT FUND 2000

England & Wales · Charity number 1089928

Details

Other names	THE ROYAL OPERA HOUSE ENDOWMENT FUND
Status	Registered
Legal form	Trust
Registered	2002-01-02
Register	View on the Charity Commission register

Contact

Address	Royal Opera House Covent Garden London WC2E 9DD
Phone	02072129664
Email	Leah.Hurst@roh.org.uk
Website	www.roh.org.uk

Downloaded from opencharities.uk/ew/1089928

Activities

Objects: THE TRUSTEES SHALL HOLD THE TRUST FUND AND ITS INCOME UPON TRUST TO PROMOTE THE EDUCATION OF THE PUBLIC IN THE ARTS OF OPERA AND BALLET BY MAKING GRANTS TO OR FOR THE BENEFIT OF ROYAL OPERA HOUSE, COVENT GARDEN LIMITED (REGISTERED CHARITY NUMBER 211775) ("ROH") AND (IN RELATION TO GRANTS FALLING WITHIN SUB-CLAUSE 2.1. 3 BELOW) THE ROYAL BALLET SCHOOL (REGISTERED CHARITY NUMBER 214364) ("RBS") OUT OF THE INCOME OF THE TRUST FUND FOR OR TOWARDS ANY OF THE PURPOSES SET OUT IN SUB-CLAUSES 2.1.1 TO 2.1.8 BELOW AND OUT OF THE CAPITAL OF THE TRUST FUND FOR OT TOWARDS ANY OF THE PURPOSES SET OUT IN SUB-CLAUSE 2.1.9. BELOW:-INCOME GRANTS:2.1.1 PRESENTING PRODUCTIONS OF OPERAS AND BALLETS; 2.1.2 COMMISSIONING NEW WORKS OF OPERAS AND BALLET; 2.1.3 SUPPORTING THE EDUCATIONAL PROGRAMMES AND ACTIVITIES OF ROH OR RBS; 2.1.4 PUBLISHING THE SCORES OR LIBRETTI OF OPERAS AND BALLETS AND ANY OTHER BOOKS, BOOKLETS OR PAMPHLETS WHICH RELATE TO THE ACTIVITIES OF ROH; 2.1.5 PURCHASING COPYRIGHTS OR OTHER INTELLECTUAL PROPERTY RIGHTS OF OR IN OPERAS, BALLETS AND THE MUSICAL WORKS; 2.1.6 RECORDING, FILMING, VIDEOING OR BROADCASTING OPERAS, BALLETS AND OTHER MUSICAL WORKS 2.1.7 MAINTAINING, REPAIRING, RENEWING, IMPROVING OR EXTENDING ANY LAND, BUILDINGS, PLANT, MACHINERY OR ANY OTHER ASSETS OWNED BY ROH; 2.1.8 ACQUIRING, MAINTAINING AND PRESERVING CHATTELS OR OTHER ASSETS WHICH ARE HISTORICALLY ASSOCIATED WITH ROH OR ANY BUILDING OWNED OR OCCUPIED BY ROH;CAPITAL GRANTS:2.1.9 RENEWING, IMPROVING OR EXTENDING ANY BUILDINGS, PLANT OR MACHINERY OWNED BY ROH PROVIDED THAT AT THE TIME OF THE GRANT THE TRUSTEES (ACTING UNANIMOUSLY) HAVE A CLEAR POLICY FOR RESTORING TO THE TRUST FUND THE AMOUNT OF THE GRANT (WHETHER OUT OF FUTURE INCOME OR FUTURE DONATIONS) WITHIN A PERIOD OF FIVE YEARS OR IN EXCEPTIONAL CIRCUMSTANCES ONLY SUCH LONGER PERIOD (NOT EXCEEDING 10 YEARS) AS THE TRUSTEES AGREE.

Activities: The charity promotes the education of the public in the arts of opera and ballet by making grants to, or for the benefit of, the Royal Opera House or the educational activities of the Royal Ballet School

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Throughout England

Downloaded from opencharities.uk/ew/1089928

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£2,595,710	£2,913,212	£56,901,807	0
2023-08-31	£8,365,925	£2,608,288	£52,602,290	0
2022-08-31	£2,287,098	£6,367,756	£46,792,361	0
2021-08-31	£2,612,281	£2,681,377	£51,520,795	0
2020-08-31	£1,754,079	£2,533,593	£47,128,092	0

Trustees

Name	Role	Appointed
DAME Vivien Louise Duffield DBE	Chair	2016-01-20
Andrew Hamish Forsyth		2019-04-20
Caroline Louise Britton		2022-11-16
LADY KATHARINE SUSAN GAVRON		2021-11-03
Simon Freakley		2024-03-20
Sir Simon Christopher Robey		2016-10-20
TIMOTHY BRIAN BUNTING		2019-04-20

Downloaded from opencharities.uk/ew/1089928

THE ROYAL OPERA HOUSE ENDOWMENT FUND 2000

England & Wales - Charity number 1089928

Accounts

The Royal Opera House Endowment Fund 2000

Trustees' report and financial statements
Charity number 1089928
Year Ended 31 August 2024

Contents

Trustees' report	3
Statement of trustees' responsibilities	9
Independent auditor's report to the Trustees of the Royal Opera House Endowment Fund 2000	10
Statement of financial activities	13
Balance sheet	14
Notes	15

Trustees' report

The trustees present their report together with the audited accounts for the year ended 31 August 2024. These accounts and annual returns will be filed with the Charity Commission.

Reference and administrative details of the charity, its trustees and advisors

Charity Number	1089928
Principal Office	Royal Opera House, Covent Garden, London, WC2E 9DD
Auditors	Crowe UK LLP 55 Ludgate Hill, London, EC4M 7JW
Bankers	Coutts and Co 440 Strand London, WC2R 0QS
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London, WC2A 3LH
Investment Managers	Stonehage Fleming Investment Management Limited 6 St James's Square London, SW1Y 4JU Troy Asset Management Limited 33 Davies Street London, W1K 4BP Newton Investment Management Limited BNY Mellon Centre 160 Queen Victoria Street London, EC4V 4LA TCI Fund Management Limited 7 Clifford Street London, W1S 2FT Schroder & Co. Limited T/A Cazenove Capital 1 London Wall Place London, EC2Y 5AU
Trustees	Dame Vivien Duffield (Chair) Sir Simon Robey (Deputy Chair, Independent Trustee) Tim Bunting (ROHCGF Trustee) Caroline Britton (ROHCGF Trustee) Hamish Forsyth (Independent Trustee) Lady Gavron (Independent Trustee) Simon Freakley (appointed March 2024)
Secretary to the trustees	Leah Hurst

Structure, governance and management

Governing document
The Royal Opera House Endowment Fund 2000, ('the Charity'), was established by trust deed on 14 December 2001 and is a registered charity number 1089928.

Appointment and training of trustees
The trustees who have served wholly or partly during the year are set out on the previous page. The appointment of new trustees is vested in the existing trustees who shall consult the Royal Opera House Covent Garden Foundation ('ROHCGF') appointment. The trustees shall ensure that no more than two of the Trustees are directors of ROHCGF, and that no employee of ROHCGF is appointed a trustee. There shall be not less than five nor more than eight trustees of the Charity.

Trustees hold office for an initial term not exceeding three years and are eligible for reappointment for further terms not exceeding three years but may resign as trustee before the expiry of any term by notice in writing to the trustees.

The trustees appoint one of their number as the chairman of the trustees.

New trustees undergo an induction session with the secretary to the trustees to brief them on their obligations under charity law, the content of the trust deed, and the conduct of trustee meetings.

Organisation
The direction and control of the Charity is determined by the trustees, who meet at least twice a year. As set out in the Charity SORP, the trustees are the key management personnel with oversight of the management and activities of the Charity. They receive no compensation. Day to day management and administration of the Charity is delegated to Alex Beard (Chief Executive Officer of ROHCGF), who attends the trustee meetings.

Connected charities and companies
ROHCGF – registered charity no. 211775. The Charity holds investments and generates income to grant to ROHCGF. The principal activity of ROHCGF is the presentation of opera and ballet performances at the Royal Opera House and tours in the United Kingdom and overseas. During the season ROHCGF announced a change in its operating name from the 'Royal Opera House' to the 'Royal Opera and Ballet'. The legal name remains ROHCGF. The power of appointing new trustees of the Charity is vested in the trustees who consult ROHCGF before any exercise of this power. The trustees ensure that no more than two of the Trustees are directors of ROHCGF and that no employee of ROHCGF is appointed a trustee. There shall be not less than five nor more than eight trustees of the Charity.

ROH Holdings Ltd – registered company no. 02580395. This is a holding company with one subsidiary, ROH Developments Limited, a property development company.

Royal Opera House Enterprises Limited – registered company no. 04112266. This is a subsidiary of ROHCGF.

Going Concern

The Trustees must satisfy themselves as to the Charity's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Trustees continue to work closely with the investment managers to ensure funds are invested as effectively as possible to minimise exposure to risk. As the Charity holds endowments and other funds of £56.9m, the Trustees feel there is little risk of the Charity not being able to continue in operational existence for the foreseeable future and for this reason the financial statements have been prepared on a going concern basis.

Risk Management

The trustees have examined the major strategic and operational risks that face the Charity and are satisfied there are systems in place to mitigate identified risks. The trustees have received assurances from the Audit & Risk Committee of ROHCGF of the effectiveness of the internal controls. The main risks identified relate to the state of the UK economy, which has a direct impact on investment values and fundraising generally. The performance of investments is key to creating capital growth and income that can be granted to ROHCGF in the furtherance of its charitable objects. The trustees manage this risk by regularly meeting with the Investment Managers and by scrutinising regular updates and presentations from the Investment Managers to understand the risk profile of the investments. Annually, the trustees review the risk register for the Charity.

Objects and activities

The objects of the Charity are to promote the education of the public in the arts of opera and ballet by making grants to, or for the benefit of, ROHCGF. The Charity does this by seeking to increase its capital base by actively marketing the Charity as a recipient of legacy income and other gifts. The Charity also generates capital growth and income in order to make grants to ROHCGF.

RPHCGF aims to enrich people's lives through opera and ballet. Home to two of the world's great artistic companies – The Royal Opera and The Royal Ballet, performing with the Orchestra of the Royal Opera House – it seeks to be accessible to audiences across the UK and to break new ground in the presentation of lyric theatre.

During the 2023/24 season the ROHCGF delivered 425 live performances across both stages and 668,763 tickets were sold. Through the year 24 new productions were presented, of which 3 were world premieres. Remote audiences of 134,000 watched productions streamed online on RBO Stream. 18,000 subsidised tickets were bought by 16–25-year-olds through the Young RBO scheme. Over 10,000 children enjoyed schools' matinee performances at the RBO in addition to 93,000 students taking part in Create Programmes. 13 apprentices joined the apprenticeship scheme which was awarded 'Best Apprenticeship in Creative Industries'.

ROHCGF's achievements, supported by the Charity, are detailed in ROHCGF's report and financial statements for 2023/24.

Public Benefit

The Charity delivers public benefit by making grants each year to ROHCGF. The Trustees of ROHCGF refer to the Charity Commission's general guidance on public benefit when shaping and reviewing the charity's aims, objects and future strategies. In setting the level of ticket prices, charges and concessions, and in developing digital and broadcast distribution, ROHCGF Trustees give careful consideration to the accessibility of ROHCGF to those on low incomes. This is addressed through maintaining a wide range of ticket prices, as well as through several ticket subsidy schemes, free events, cinema, live streaming, digital and broadcast activity and an extensive learning and participation programme.

Grant making policy

The Charity comprises a number of separate funds. It determines the funding of projects which accord with their objects and which benefit ROHCGF. Each fund has a specific purpose:

- **Jean Sainsbury Fund** may be used for the support of grand opera and classical ballet. The original transfer of funds to the Charity was made on the basis that the capital amount could be used to augment any annual grant to ROHCGF up to a total value of 5% of the value of the funds at the start of the year.
- **Paul Hamlyn Education Fund** may be used to support the activities of the educational projects of ROHCGF. Applications are considered against the objects of the fund and the most suitable projects chosen in consultation with the Paul Hamlyn Foundation;
- **Franklin Fund** is used to support choreographic work at ROHCGF.
- **Derek Butler Apprenticeship Fund** is to be used to support the training of apprentices at ROHCGF. It is to be used over ten years from 2013 and due to the financial performance of the fund and due to COVID interrupting the schedule, there is still a balance remaining and the Derek Butler Trust have agreed that apprentices continue to be funded until the fund runs out.
- **Paul Ferguson Memorial Fund** is used to support ballet.
- **Susan A. Olde OBE Music Director Fund** is to be used to support the office of the Music Director. It is to be used over six seasons from 2017/18 and was agreed to use the remaining funds to support the Antonio Pappano Gala in 2023/24 season.
- **Main Endowment Fund** Unrestricted funds may be used in accordance with the charitable objects at the discretion of the trustees. The restricted funds may also be used in accordance with the object of the Charity, specifically relating to grants out of capital. This object requires that the trustees (acting unanimously) have a clear policy for restoring any grant out of capital within a period of five years or in exceptional circumstances a period not exceeding ten years.

Achievements and performance

During the year the Charity made grants of £2,308,439 (*Year ended 31 August 2023:* £2,324,000) to ROHCGF. The grants made were as follows:

Productions £985,000:

- **Main Endowment Fund** – £815,000 to the core work of the artistic companies.
- **Jean Sainsbury Fund** - £170,000 to support *Andre Chenier.*

Education and Apprenticeships £556,000:

- **Paul Hamlyn Education Fund** - £416,000 to support a variety of learning and access projects.
- **Derek Butler Apprenticeship Fund** - £140,000 to support the Apprenticeship Scheme.

Other £767,439:

- **Susan A. Olde OBE Music Director Fund** - £767,439 to support the Antonio Pappano Gala.

At the start of the year, the investments were held with Stonehage Fleming Investment Management Limited, Troy Asset Management Limited and Newton Investment Management Limited. During the year the investments with both Troy and Newton were liquidated and reinvested in The Children's Investment Fund and Cazenove Capital, including some additional cash funds. Not including the additional investment, the combined capital growth and income return net of investment management fees was 10.9% for the year ended 31 August 2024 (*Year ended 31 August 2023 increase of 1.56%).* The return for 2024 exceeded the blended target of CPI plus 3.5% (5.7%). Investments with Stonehage Fleming which are long term in nature are being progressively wound down.

Financial review

Grants totalling £2,308,439 (*Year ended 31 August 2023 £2,324,000*) were made to ROHCGF in furtherance of the Charity's objects. Other resources expended related primarily to the management of investments, and the marketing of the Charity as a beneficiary of legacy income for the benefit of ROHCGF. The investment managers' fees were £579,662 (*Year ended 31 August 2023 £269,153*).

The total funds at 31 August 2024 were £56.9m (*Year ended 31 August 2023 £52.6m*). The net increase in funds for the year as set out in the statement of financial activities was £4,299,517 (*Year ended 31 August 2023: increase of £5,809,929*), comprising net outgoing resources of £317,502 and net realised and unrealised gains of £4,617,019 on investments held with investment managers. Funds held with investment managers at the end of the year were £45,557,449 (*2023: £*38,274,608) including cash holdings with investment managers of £144,987 (*2023: £*9,566,971) disclosed under Fixed Assets. Additional cash balances at the bank and held by Cazenove in a cash fund at the end of the year were £11,294,493 (2023: £13,784,582).

Investment powers and policy

There are no restrictions on the investment powers of the trustees. The trustees are permitted to invest and reinvest the trust fund, providing the objects and purposes of the Charity are met, and subject to such consents as may be required by law.

Investment Policy

The Trustees reviewed and agreed an Investment Policy in line with the Charities Commission Guidance CC14. A summary of the key investment objects are as follows:

- Generate investment income to support the grant income available to support ROHCGF; and
- Deliver capital growth to maintain the real value of investments for future years.

To achieve the above objects the trustees have set the investment benchmark of a total blended return of CPI +3.5% on a rolling basis.

The Charity is focused on managing investments in line with the broader environmental, social and governance (ESG) strategy, and over time, the Trustees are fully committed to ensure their funds reflect the ESG position of ROHCGF.

Reserves policy

The trustees have reviewed the free reserves (comprising unrestricted net current assets) of the Charity which are £200,218 at 31 August 2024 (*31 August 2023: £253,837*). Free reserves are intended to give the Charity financial flexibility and a buffer against operational risks. Having considered the Charity's commitments with regard to the sensitivity of investment returns in the economic climate, the trustees have considered the level of free reserves and believe total reserves are at an appropriate level at the year ended 31 August 2024. The aim has been to build up free reserves to ensure that grants can be made to ROHCGF in future years even if investment income underperforms.

Trustees and trustees' interests

No Trustee received any remuneration for his or her services or was reimbursed for out of pocket expenses, nor was the Charity involved with any contracts or transactions in which any trustee had a material interest.

Plans for future periods

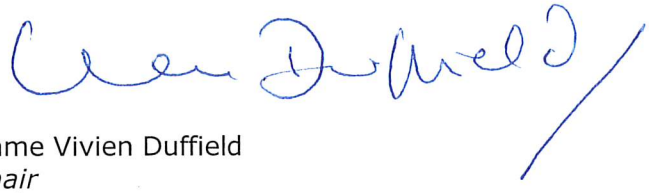
The Charity seeks to increase its capital base by actively marketing the Charity as the recipient of legacy and philanthropic income pledged in support of ROHCGF and by achieving capital

growth in line with or in excess of investment objects. Grant applications will continue to be considered for the funding of projects which benefit ROHCGF which are consistent with the Charity Commission's guidelines on public benefit.

Auditors

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself / herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

On behalf of the trustees



Dame Vivien Duffield
Chair
19 March 2025

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Trustees of Royal Opera House Endowment Fund 2000

Opinion

We have audited the financial statements of Royal Opera House Endowment Fund 2000 (the 'charity') for the year ended 31 August 2024 which comprise Statement of Financial Activities, the Balance Sheet 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 charity's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure for the year 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 Charities Act 2011.

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 charity 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Financial Statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.
- In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations included General Data Protection Regulation (GDPR) and Health and Safety legislation.

- Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations through enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.
- We identified the greatest risk of material impact on the Financial Statements from irregularities, including fraud, to be within the timing of recognition of legacy and donation income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and those charged with governance about its own identification and assessment of the risks of irregularities, testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of the board.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

N. Hashemi

Naziar Hashemi, Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Date: 26 March 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of financial activities for the year ended 31 August 2024

	Note				2024	2023
		Unrestricted	Restricted	Endowment	Total	Total
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	-	21,697	1,333,966	1,355,663	913,733
Investments	4	786,492	453,555	-	1,240,047	1,152,192
Other income	5	-	-	-	-	6,300,000
Total incoming		786,492	475,252	1,333,966	2,595,710	8,365,925
Expenditure on:						
Raising funds						
Raising donations and legacies	6	(25,111)	-	-	(25,111)	(15,135)
Investment managers' fees		-	-	(579,662)	(579,662)	(269,153)
Charitable activities						
Grants to Royal Opera House Covent Garden Limited	7	(815,000)	(513,502)	(979,937)	(2,308,439)	(2,324,000)
Total expenditure		(840,111)	(513,502)	(1,559,599)	(2,913,212)	(2,608,288)
Net gains/(losses) on investments	8	-	-	4,617,019	4,617,019	52,292
Net income/(expenditure)		(53,619)	(38,250)	4,391,386	4,299,517	5,809,929
Transfer between funds		-	59,947	(59,947)	-	-
Net movement in funds		(53,619)	21,697	4,331,439	4,299,517	5,809,929
Reconciliation of funds						
Total funds brought forward		253,837	-	52,348,453	52,602,290	46,792,361
Total funds carried forward	15	200,218	21,697	56,679,892	56,901,807	52,602,290

Incoming resources arise from continuing operations.

The Charity had no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 15 to 26 form part of these financial statements.

Balance sheet
as at 31 August 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	*11*	**45,557,449**	38,274,608
Current assets			
Debtors amounts due less than one year	*12*	**141,118**	548,100
Cash at bank		**11,294,493**	13,784,582
Total current assets		**11,435,611**	14,332,682
Creditors: amounts falling due within one year	*13*	**(91,253)**	(5,000)
Net current assets		**11,344,358**	14,327,682
Net assets	*14*	**56,901,807**	52,602,290
Unrestricted	*15*	**200,218**	253,837
Restricted	*15*	**21,697**	-
Endowment	*15*	**56,679,892**	52,348,453
Funds	*15*	**56,901,807**	52,602,290

These financial statements were approved and signed on 19 March 2025 by:

Dame Vivien Duffield
Chair

The notes on pages 15 to 26 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 Charity's financial statements.

Basis of preparation

The financial statements are prepared in accordance with the FRS102 applicable accounting standards and the Charities Act 2011. They have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments. The Charity has adopted the Statement of Recommended Practice "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). There are no material departures from FRS102.

The Charity meets the definition of a qualifying entity under FRS102 as the results of the Charity are consolidated into ROHCGF's financial statements which are publicly available. In accordance with FRS 102 S1.12, the Charity has taken advantage of the exemptions in respect of the preparation of a cash flow statement and the disclosure of financial instruments.

The Charity was established by trust deed in the United Kingdom on 14 December 2001 and is a registered charity number 1089928. The charity is registered in England and its principal address is Royal Opera House, Covent Garden, London, WC2E 9DD.

Going Concern

The Trustees consider that the going concern assumption is an appropriate basis on which to prepare these financial statements. Working closely with the investment managers to invest the funds with minimal risk (as set out within the heading Going Concern on page 5) the Trustees consider the Charity has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from the date of the approval of these financial statements. For this reason, the financial statements have been prepared on a going concern basis.

Public Benefit

The Charity delivers public benefit by making grants on an annual basis to ROHCGF. The Charity is a public benefit entity under FRS102.

Fixed asset investments

Investments are shown at fair value as at the balance sheet date. Realised and unrealised gains on investments are recognised in the statement of financial activities, and are treated as attributable to Endowment funds. A breakdown of the level in the following fair value hierarchy into which the fair value measurements are categorised is disclosed. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for asset or liability.

Fund accounting
Unrestricted funds may be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are to be used in accordance with the object of the Charity and specific restrictions placed by the donor.

Endowment funds represent those assets that are required to be invested. These funds include both permanent endowment funds, where there is no power to convert the capital into income and the funds are required to be held permanently by the Charity, and expendable endowment funds where the trustees have the power to convert the capital into expendable income. These funds are invested to produce income to meet expenditure, as directed by the terms of the endowment or by the terms of the Charity.

Functional Currency
The Charity operates primarily in the UK and the functional currency as well as the reporting currency is the pound sterling.

Income
Income is recognised only when it is probable that the economic benefits associated with the transaction will flow to the charity and the amount of the revenue can be measured reliably. Investment income is recognised on an accruals basis. Specifically, interest is recognised using the effective interest method and dividend income is recognised when the right to receive payment is established. Income from grants and donations is accounted for when the receipt is probable, there is evidence of entitlement and can be measured reliably. Entitlement is assessed using performance and time-restriction conditions. Pecuniary legacies are recognised when the legacy has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the legacy will be received. Residual legacies are recognised on the earlier of receipt or the finalisation of estate accounts. Where legacies have been notified to the charity, but the income criteria have not been met, these are disclosed as contingent assets, see note 3.

Charitable expenditure
Expenditure is included on an accruals basis. Grants are recognised in the financial year in which the grant has been awarded.

Cash at bank and in hand
Cash at bank includes cash equivalents which are defined as short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

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 where receipt is not deferred beyond normal terms. Where receipt is deferred beyond normal terms, the debtor is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. In both instances, measurement is net of provision for doubtful debts.

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. Contracted commitments are not recorded as liabilities on the balance sheet, as the criteria for recognition have not been met. Commitments are disclosed in note 16.

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.

2 Donations and legacies

	Restricted	Permanent endowment	2024 Total	Restricted	Permanent endowment	2023 Total
	£	£	£	£	£	£
Legacies	21,697	1,422,716	1,444,413	-	843,144.00	843,144
Other donations	-	126,250	126,250	-	70,589.00	70,589
Total received in the year	21,697	1,548,966	1,570,663	-	913,733	913,733
Less: Over-accrued Legacies in 2023	-	(215,000)	(215,000)	-	-	-
Total as per SOFA	21,697	1,333,966	1,355,663	-	913,733	913,733

Donations and legacies are directed to support and grow the capital in the Charity unless otherwise directed by the donor. The Trustees have declared a legal trust over these incoming resources to invest and hold these funds as permanent endowment funds.

3 Contingent assets

The Charity is the beneficiary of a number of legacies, the value of which cannot be ascertained with certainty. Based on the information available at the date of the financial statements, it is estimated that the Charity will receive approximately £2.1m (2023: £2.5m) from these legacies.

As the receipt of these legacies is dependent on future events, they are not recognised as an asset in the statement of financial position. However, they are disclosed in this note as a contingent asset in accordance with FRS 102 SORP paragraph 5.34.

4 Investment income

	2024	2023
	£	£
Finance lease interest income	-	136,092
Dividend and interest income	1,240,047	1,016,100
	1,240,047	1,152,192

Dividend and interest income is earned on funds managed by the Investment Managers and interest on bank deposits held at Coutts and Co. Finance lease interest income and contingent rents are derived from leases for the retail units on the site of the Royal Opera House.

5 Other income

During the year ended 31st August 2023 the Charity recognised £6,300,000 in other income. This income was generated from variation of the lease of retail units. The gain of £6.3m resulting from the variation of the leases was after the property valuation undertaken by Gerald Eve LLP on 19 September 2019 deemed the fair value of this asset to be £12m and the book value held under debtors was £5.7m.

6 Expenditure on raising donations and legacies

	2024	2023
	£	£
Marketing and publicity	**18,111**	10,135
Ground rent	**7,000**	5,000
	25,111	15,135

7 Grants

During the year the Charity made grants of £2,308,439 (*2023:* £2,324,000) to ROHCGF in support of the following productions/projects:

2024	Unrestricted funds	Restricted funds	Permanent Endowment	Expendable Endowment	Endowment Total	Total
	£	£	£	£	£	£
Core work of artistic companies	815,000	-	-	-	-	**815,000**
Andre Chenier	-	88,737	-	81,263	81,263	**170,000**
Education projects	-	416,000	-	-	-	**416,000**
Derek Butler Apprentices	-	7,469	-	132,531	132,531	**140,000**
Antonio Pappano Gala	-	1,296	-	766,143	766,143	**767,439**
	815,000	**513,502**	**-**	**979,937**	**979,937**	**2,308,439**

2023	Unrestricted funds	Restricted funds	Permanent Endowment	Expendable Endowment	Endowment Total	Total
	£	£	£	£	£	£
Core work of artistic companies	706,000	-	-	-	-	**706,000**
La Traviata	-	77,934	-	92,066	92,066	**170,000**
Mayerling	-	60,000	-	-	-	**60,000**
Education projects	-	415,000	-	-	-	**415,000**
Derek Butler Apprentices	-	24,176	-	115,824	115,824	**140,000**
Susan olde	-	35,233	-	797,767	797,767	**833,000**
	706,000	**612,343**	**-**	**1,005,657**	**1,005,657**	**2,324,000**

8 Gains and losses on revaluations and disposals of investments

	2024	2023
	£	£
Realised gains on disposal of investments	**4,379,366**	18,466
Unrealised (loss)/gain on revaluation of other investments	**237,653**	33,826
	4,617,019	52,292

During the year there were gains on investments totalling £4,617,019 (*2023: £52,292 gains*). Of this £237,653 relates to unrealised gains primarily due to negative movements in the fair value of the investments held by Troy and Newton, offset by positive movements in the new investments held with TCI and Cazenove, £4,379,366 relates to realised gains on the disposal of investments in Troy and Newton funds.

Realised gains on investments are classified as Endowment funds within the Statement of financial activities, as they are reinvested within the investment portfolio and are not available to be utilised at the discretion of the trustees.

9 Trustees' remuneration

Trustees received no remuneration and were paid no expenses during the year (*2023: nil*). The Charity does not have any employees.

10 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Due to the high value of non-business and exempt activities, the Charity is unable to recover any tax on many of its purchases. All non-recoverable VAT is included within the appropriate expenditure headings.

11 Fixed asset investments

	2024	2023
	£	£
Held with investment managers:		
- Venture funds	**107,610**	129,160
- Quoted equities	**35,251,008**	12,642,182
- Hedge funds	**4,881**	5,115
- Bonds	**10,048,963**	12,308,405
- Cash funds	**144,987**	9,566,971
- Gold	**-**	3,622,775
Total investments with Investment Managers	**45,557,449**	38,274,608

The movements in investments held with investment managers were as follows:

	2024			2023		
	Listed investments	**Other investments**	**Total investments**	Listed investments	Other investments	Total investments
	£	**£**	**£**	£	£	£
Market value at beginning of the period	**38,063,363**	**211,245**	**38,274,608**	37,956,972	469,150	38,426,122
Additions (at cost)	**42,089,154**	**2,950**	**42,092,104**	1,194	-	1,194
Disposals (at opening market value)	**(39,426,284)**	**-**	**(39,426,284)**	-	(205,000)	(205,000)
Net realised and unrealised investment gains	**4,633,534**	**(16,513)**	**4,617,021**	105,197	(52,905)	52,292
Market value at end of the period	**45,359,767**	**197,682**	**45,557,449**	38,063,363	211,245	38,274,608
Historical cost at end of the period	**42,000,000**	**193,346**	**42,193,346**	34,675,689	761,414	35,437,103

As at 31st August 2024 investments held with investment managers are measured at fair value, £45.4m (2023: £38.1m) categorised as Level 1 and £0.1m (2023: £0.1m) as Level 3.

Split of investments between those based in the UK and those that are based overseas:

	UK	**Overseas**	**Total**	UK	Overseas	Total
	£	**£**	**£**	£	£	£
All Equities	**611,012**	**34,639,996**	**35,251,008**	4,367,583	9,060,184	13,427,767
Bonds	**-**	**10,048,963**	**10,048,963**	1,627,749	9,962,632	11,590,381
Alternative Investments*	**112,491**	**-**	**112,491**	134,275	-	134,275
Cash	**144,987**	**-**	**144,987**	4,065,247	5,434,163	9,499,410
Gold	**-**	**-**	**-**	3,622,775	-	3,622,775
	868,490	**44,688,959**	**45,557,449**	13,817,629	24,456,979	38,274,608

* Alternative investments include Hedge Funds, Commodities, Property, Special Situations LLPs, Infrastructure and Currency Options.

12 Debtors

	2024	2023
	£	£
Debtors: amounts falling due within one year		
Investment income receivable	**19,916**	144,625
Amounts owed by ROHCGF	**-**	113,791
Accrued income	**121,202**	289,684
	141,118	548,100

13 Creditors: amounts falling due within one year

	2024	2023
	£	£
Amounts owing to ROHCGF	**36,919**	-
Amounts owing to ROH Holdings Limited	**12,000**	5,000
Other creditors	**42,334**	-
	91,253	5,000

14 Analysis of net assets between funds

	Investments	Cash at bank and in hand	Other net current assets	Total
	£	£	£	£
Unrestricted funds	-	192,302	7,916	200,218
Restricted funds	-	21,697	-	21,697
Endowment	45,557,449	11,080,494	41,949	56,679,892
At 31 August 2024	**45,557,449**	**11,294,493**	**49,865**	**56,901,807**

	Investments	Cash at bank and in hand	Other net current assets	Total
	£	£	£	£
Unrestricted funds	-	114,212	139,625	253,837
Restricted funds	-	-	-	-
Endowment	38,274,608	13,670,370	403,475	52,348,453
At 31 August 2023	**38,274,608**	**13,784,582**	**543,100**	**52,602,290**

15 Funds

	At 1 September 2023	Income	IM fees	Grants made	Other expenditure	Gains/(losses)	Transfer	At 31 August 2024
	£	£	£	£	£	£	£	£
Permanent endowment								
Main endowment fund	**35,843,615**	1,333,966	(523,552)	-	-	4,043,127	-	**40,697,156**
Paul Hamlyn Education	**9,623,933**	-	(28,619)	-	-	253,088	(118,074)	**9,730,328**
Paul Ferguson Memorial Fund	**2,254,817**	-	(11,801)	-	-	155,419	58,126	**2,456,561**
Total permanent endowment funds	**47,722,365**	1,333,966	(563,972)	-	-	4,451,634	(59,948)	**52,884,045**
Expendable endowment								
Jean Sainsbury Fund	**3,290,647**	-	(12,288)	(81,263)	-	140,061	-	**3,337,157**
Franklin Fund	**544**	-	(1)	-	-	4	1	**548**
Derek Butler Apprenticeship	**572,981**	-	(2,105)	(132,531)	-	18,765	-	**457,110**
Susan Olde Music Director Fund	**761,916**	-	(1,296)	(766,143)	-	6,555	-	**1,032**
Total expandable endowment funds	**4,626,088**	-	(15,690)	(979,937)	-	165,385	1	**3,795,847**
Restricted funds								
Royal Ballet Fund	-	21,697	-	-	-	-	-	**21,697**
Paul Hamlyn Education	-	297,926	-	(416,000)	-	-	118,074	-
Paul Ferguson Memorial Fund	-	58,126	-	-	-	-	(58,126)	-
Jean Sainsbury Fund	-	88,737	-	(88,737)	-	-	-	-
Franklin Fund	-	1	-	-	-	-	(1)	-
Derek Butler Apprenticeship	-	7,469	-	(7,469)	-	-	-	-
Susan Olde Music Director Fund	-	1,296	-	(1,296)	-	-	-	-
Total restricted funds	-	475,252	-	(513,502)	-	-	59,947	**21,697**
Unrestricted funds								
General	**253,837**	786,492	-	(815,000)	(25,111)	-	-	**200,218**
Total funds	**52,602,290**	2,595,710	(579,662)	(2,308,439)	(25,111)	4,617,019	-	**56,901,807**

Main Endowment Fund is the Trust Fund as defined in the Charity's Trust Deed.

The above disclosure demonstrates the source of the Charity's funds.

Transfers of £59,947 relate to reinvestment of income into the endowment funds and payment of grants from permanent endowment funds as allowed by the Paul Hamlyn Education Fund.

Funds currently represent:

- The **Main Endowment Fund** is a permanent Endowment. This comprises the surplus on the ROHCGF Development Appeal held in the form of cash and property assets, and subsequent donations and legacies.
- The **Jean Sainsbury Fund** was created from a transfer of funds from the Jean Sainsbury Royal Opera House Fund, which was wound up in March 2004. The annual grant, to be spent on grand opera or classical ballet, is in the name of the Jean Sainsbury Fund. The original transfer of funds to the Charity was made on the basis that the capital amount could be used to augment any annual grant to ROHCGF up to a total value of 5% of the value of the funds at the start of the year. This is an expendable endowment.
- The **Paul Hamlyn Education Fund** is a separate fund comprising a donation received from the Paul Hamlyn Foundation. Income generated and capital, subject to certain restrictions, may be used to support the activities of the educational projects of ROHCGF. This is a permanent endowment. The funding agreement was amended 28 September 2022 to approve the payment of £3,774,000 to the Royal Opera and Ballet as an exceptional grant in the 2022 financial year, being part of the income accumulated in the Paul Hamlyn Educational Fund.
- The **Franklin Fund** is a separate fund comprising a donation received from the late John Franklin. The income and capital from the Franklin Fund may be used to support the choreographic work of ROHCGF, and is therefore an expendable endowment.
- The **Derek Butler Apprenticeship Fund** is a separate fund created from a donation of £1.875m from the Derek Butler Trust to endow the ROHCGF Apprenticeship Scheme. This is an expendable endowment to be spent over 10 years starting from September 2013 and with the balance agreed to be used for apprentices until the fund runs out.
- The **Paul Ferguson Memorial Fund** was established by the Peyton Trust as a permanent endowment which supports ballet.
- The **Susan A. Olde OBE Music Director Fund** is a separate fund created from a donation received from Susan A. Olde OBE to support the office of the Music Director. This is an expendable endowment to be spent over six seasons from 2017/18. The sixth payment was made in the year 22/23. The remaining income generated by the fund was approved to be used for a special gala in honour of Sir Antonio Pappano in the 2023/24 season.

Funds (as at 31 August 2023)

	At 1 September 2022 as previously stated £	Restatement £	At 1 September 2022 as restated	Income £	Expenditure	Gains/(losses) £	Transfers £	At 31 August 2023 £
Permanent endowment								
Main endowment fund	**28,711,726**	-	**28,711,726**	7,213,734	(143,581)	67,851	(6,115)	**35,843,615**
Paul Hamlyn Education	**9,799,402**	-	**9,799,402**	-	(74,602)	(73,185)	(27,682)	**9,623,933**
Paul Ferguson Memorial Fund	**2,210,290**	-	**2,210,290**	-	(11,637)	51,645	4,519	**2,254,817**
Total permanent endowment funds	**40,721,418**	-	**40,721,418**	7,213,734	(229,820)	46,311	(29,278)	**47,722,365**
Expendable endowment								
Jean Sainsbury Fund	**3,390,453**	-	**3,390,453**	-	(115,817)	16,011	-	**3,290,647**
Franklin Fund	**551**	-	**551**	-	(4)	(3)	-	**544**
Derek Butler Apprenticeship	**692,359**	-	**692,359**	-	(121,116)	1,738	-	**572,981**
Susan Olde Music Director Fund	-	1,581,735	**1,581,735**	-	(808,054)	(11,765)	-	**761,916**
Total expandable endowment funds	**4,083,363**	1,581,735	**5,665,098**	-	(1,044,991)	5,981	-	**4,626,088**
Restricted funds								
Paul Hamlyn Education	**189,845**	-	**189,845**	197,473	(415,000)	-	27,682	-
Paul Ferguson Memorial Fund	-	-	-	58,404	(60,000)	-	1,596	-
Jean Sainsbury Fund	-	-	-	77,934	(77,934)	-	-	-
Franklin Fund	**(5)**	-	**(5)**	8	(3)	-	-	-
Derek Butler Apprenticeship	**5,115**	-	**5,115**	19,061	(24,176)	-	-	-
Susan Olde Music Director Fund	**1,581,735**	(1,581,735)	-	35,233	(35,233)	-	-	-
Total restricted funds	**1,776,690**	(1,581,735)	**194,955**	388,113	(612,346)	-	29,278	-
Unrestricted funds								
General	**210,890**	-	**210,890**	764,080	(721,132)	-	-	**253,837**
Total funds	**46,792,361**	-	**46,792,361**	**8,365,927**	**(2,608,289)**	**52,292**	-	**52,602,290**

16 Commitments

The Charity has no capital commitments as at 31 August 2024 (2023: nil).

The Charity has commitments for future minimum lease payments under a non-cancellable operating lease as follows:

	2024	2023
	£	£
Not later than one year	**5,000**	5,000
Later than one year and not later than five years	**20,000**	20,000
Later than five years	**1,061,235**	1,066,235

17 Transactions with trustees, connected persons, connected Charities and other related parties

Connected Charities

(a) Royal Opera House Covent Garden Foundation ('ROHCGF') – registered charity no. 211775 and registered company no. 480523

The principal activity of ROHCGF is to promote and assist in the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, to raise the artistic taste of the country, and to procure and increase the appreciation and understanding of the musical art in all its forms. The power of appointing new trustees of the Charity is vested in the trustees who consult ROHCGF

before any exercise of this power. The trustees ensure no more than two of the trustees are directors of ROHCGF and that no employee of ROHCGF is appointed a trustee.

Grants made to ROHCGF are disclosed in note 7.

(b) ROH Holdings Ltd – registered company no. 02580395
ROH Holdings Ltd is a holding company with one subsidiary, ROH Developments Limited, a property development company.

ROH Holdings Ltd charges the Charity for ground rent for the property lease held by the Charity for the retail units on the site of the Royal Opera House. Up to the date of lease variation during the August 2023 financial year, the Charity had a 5% income interest in the leases.

The ground rent charged by ROH Holdings Ltd to the Charity is disclosed in note 6 and the related operating lease commitments in note 16.

(c) Royal Opera House Enterprises Limited – registered company no. 04112266
Royal Opera House Enterprises Limited is a subsidiary of ROHCGF and is an event, catering and video production company.

Amounts due to and from connected Charities are disclosed in the notes to these accounts. There were no other transactions with trustees, connected persons or connected charities during the year and trustees received no remuneration and were paid no expenses during the year (2023: nil).

18 Ultimate parent undertaking

The smallest and largest group into which the accounts of the Charity are consolidated is the ROHCGF, (Royal Opera House Covent Garden Foundation (Limited by guarantee), company number 480523, registered charity no. 211775 whose object it is to promote and assist in the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, to raise the artistic taste of the country, and to procure and increase the appreciation and understanding of the musical art in all its forms), the ultimate parent undertaking incorporated in the United Kingdom. ROHCGF exercises dominant influence over the Charity being both the power to govern and the ability to benefit from the Charity's activities. No more than two of the Trustees are directors ROHCGF, all new trustees appointed must be done so in consultation with the ROHCGF and all grants are made to, or for the benefit of the ROHCGF. Its accounts are available to the public and may be obtained from The Royal Opera House, Covent Garden, London WC2E 9DD.

19 Statement of financial activities for the year ended 31 August 2023

	Note	Unrestricted £	Restricted £	Endowment £	2023 Total £	2022 Total £
Income and endowments from:						
Donations and legacies	2	-	-	**913,733**	**913,733**	1,797,741
Investment	4	**764,082**	**388,110**	-	**1,152,192**	489,357
Other income	5	-	-	**6,300,000**	**6,300,000**	-
Total incoming		**764,082**	**388,110**	**7,213,733**	**8,365,925**	2,287,098
Expenditure on:						
Raising funds						
Raising donations and legacies	7	**(15,135)**	-	-	**(15,135)**	(20,304)
Investment managers' fees		-	-	**(269,153)**	**(269,153)**	(275,452)
Charitable activities						
Grants to Royal Opera House Covent Garden Foundation	6	**(706,000)**	**(612,343)**	**(1,005,657)**	**(2,324,000)**	(6,072,000)
Total expenditure		**(721,135)**	**(612,343)**	**(1,274,810)**	**(2,608,288)**	(6,367,756)
Net gains/(losses) on investments	8	-	-	**52,292**	**52,292**	(647,776)
Net income / (expenditure)		**42,947**	**(224,233)**	**5,991,215**	**5,809,929**	(4,728,434)
Transfer between funds	15	-	**29,278**	**(29,278)**	-	-
Net movement in funds		**42,947**	**(194,955)**	**5,961,937**	**5,809,929**	(4,728,434)
Reconciliation of funds						
Fund balances brought forward at 1 September 2022 as previously stated	14;15	**210,890**	**1,776,690**	**44,804,781**	**46,792,361**	51,520,795
Restatement	15	-	**(1,581,735)**	**1,581,735**	-	-
Fund balances brought forward at 1 September 2022 restated	14;15	**210,890**	**194,955**	**46,386,516**	**46,792,361**	51,520,795
Fund balances carried forward at 31 August 2023	14;15	**253,837**	-	**52,348,453**	**52,602,290**	46,792,361

THE ROYAL OPERA HOUSE ENDOWMENT FUND 2000

England & Wales - Charity number 1089928

Accounts

ROYAL
OPERA
HOUSE

The Royal Opera House Endowment Fund 2000

Trustees' report and financial statements
Charity number 1089928
Year Ended 31 August 2023

Contents

Trustees' report	3
Statement of trustees' responsibilities	9
Independent auditor's report to the Trustees of the Royal Opera House Endowment Fund 2000	10
Statement of financial activities	13
Balance sheet	14
Notes	15

Trustees' report

The trustees present their report together with the audited accounts for the year ended 31 August 2023. These accounts and annual returns will be filed with the Charity Commission.

Reference and administrative details of the charity, its trustees and advisors

Charity Number	1089928
Principal Office	Royal Opera House, Covent Garden, London, WC2E 9DD
Auditors	Crowe UK LLP 55 Ludgate Hill, London, EC4M 7JW
Bankers	Coutts and Co 440 Strand London, WC2R 0QS
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London, WC2A 3LH
Investment Managers	Stonehage Fleming Investment Management Limited 6 St James's Square London, SW1Y 4JU Troy Asset Management Limited 33 Davies Street London, W1K 4BP Newton Investment Management Limited BNY Mellon Centre 160 Queen Victoria Street London, EC4V 4LA TCI Fund Management Limited 7 Clifford Street London, W1S 2FT
Trustees	Dame Vivien Duffield (Chair) Tim Bunting (Royal Opera House Trustee) Caroline Britton (Royal Opera House Trustee, appointed November 2022) Hamish Forsyth (Independent Trustee) Sir Simon Robey (Deputy Chair, Independent Trustee) Peter Troughton CVO CBE (Independent Trustee, retired April 2023) Lady Gavron (Independent Trustee) Simon Freakley (appointed March 2024)
Secretary to the trustees	Leah Hurst

Structure, governance and management

Governing document
The Royal Opera House Endowment Fund 2000, ('the Charity'), was established by trust deed on 14 December 2001 and is a registered charity number 1089928.

Appointment and training of trustees
The trustees who have served wholly or partly during the year are set out on the previous page. The appointment of new trustees is vested in the existing trustees who shall consult the Royal Opera House before any appointment. The trustees shall ensure that no more than two of the Trustees are directors Royal Opera House Covent Garden Foundation ('ROHCGF' or 'the Royal Opera House'), and that no employee of ROHCGF is appointed a trustee. There shall be not less than five nor more than eight trustees of the Charity.

Trustees hold office for an initial term not exceeding three years and are eligible for reappointment for further terms not exceeding three years but may resign as trustee before the expiry of any term by notice in writing to the trustees.

The trustees appoint one of their number as the chairman of the trustees.

New trustees undergo an induction session with the secretary to the trustees to brief them on their obligations under charity law, the content of the trust deed, and the conduct of trustee meetings.

Organisation
The direction and control of the Charity is determined by the trustees, who meet at least twice a year. As set out in the Charity SORP, the trustees are the key management personnel with oversight of the management and activities of the Charity. They receive no compensation. Day to day management and administration of the Charity is delegated to Alex Beard (Chief Executive Officer of the Royal Opera House), who attends the trustee meetings.

Connected charities and companies
ROHCGF ('the Royal Opera House') – registered charity no. 211775. The Charity holds investments and generates income to grant to the ROHCGF. The principal activity of the ROHCGF is the presentation of opera and ballet performances at the Royal Opera House and tours in the United Kingdom and overseas. The power of appointing new trustees of the Charity is vested in the trustees who consult ROHCGF before any exercise of this power. The trustees ensure that three of the Trustees are directors of ROHCGF only for so long as Sir Simon Robey remains a director of ROHCGF and otherwise no more than two of the Trustees are directors ROHCGF and that no employee of ROHCGF is appointed a trustee. There shall be not less than five nor more than eight trustees of the Charity.

ROH Holdings Ltd – registered company no. 02580395. This is a holding company with one subsidiary, ROH Developments Limited, a property development company.

Royal Opera House Enterprises Limited – registered company no. 04112266. This is a subsidiary of ROHCGF.

Going Concern
The Trustees must satisfy themselves as to the Charity's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Trustees continue to work closely with the investment managers to ensure funds are invested as effectively as possible to minimise exposure to risk. As the Charity holds endowments and

other funds of £52.6m, the Trustees feel there is little risk of the Charity not being able to continue in operational existence for the foreseeable future and for this reason the financial statements have been prepared on a going concern basis.

Risk Management

The trustees have examined the major strategic and operational risks that face the Charity and are satisfied there are systems in place to mitigate identified risks. The trustees have received assurances from the Audit & Risk Committee of ROHCGF of the effectiveness of the internal controls. The main risks identified relate to the state of the UK economy, which has a direct impact on investment values and fundraising generally. The performance of investments is key to creating capital growth and income that can be granted to the ROHCGF in the furtherance of its charitable objects. The trustees manage this risk by regularly meeting with the Investment Managers and by scrutinising regular updates and presentations from the Investment Managers to understand the risk profile of the investments. Annually, the trustees review the risk register for the Charity.

Objects and activities

The objects of the Charity are to promote the education of the public in the arts of opera and ballet by making grants to, or for the benefit of, the Royal Opera House. The Charity does this by seeking to increase its capital base by actively marketing the Charity as a recipient of legacy income and other gifts. The Charity also generates capital growth and income in order to make grants to the Royal Opera House.

The ROHCGF aims to enrich people's lives through opera and ballet. Home to two of the world's great artistic companies – The Royal Opera and The Royal Ballet, performing with the Orchestra of the Royal Opera House – it seeks to be accessible to audiences across the UK and to break new ground in the presentation of lyric theatre.

As the UK economy was facing a number of factors creating uncertainty and headwinds, the Royal Opera House delivered 412 live performances across both stages and over 624,000 tickets were sold across the season. Through the year 22 new productions were presented, of which 14 were world premieres. After a successful launch of the online streaming platform, remote audiences of over 142,000 people watched productions streamed online. Young ROH performances were attended by 70,000 20-29 year-olds. Over 10,000 children enjoyed schools matinee performances at the ROH in addition to 43,000 pupils in over 500 schools taking part in the National Schools Programmes.

The Royal Opera House's achievements, supported by the Charity, are detailed in the Royal Opera House Trustees' report and financial statements for 2022/23.

Public Benefit

The Charity delivers public benefit by making grants each year to the Royal Opera House. The Trustees of the Royal Opera House refer to the Charity Commission's general guidance on public benefit when shaping and reviewing the ROHCGF charity's aims, objects and future strategies. In setting the level of ticket prices, charges and concessions, and in developing digital and broadcast distribution, the Royal Opera House Trustees give careful consideration to the accessibility of the Royal Opera House to those on low incomes. This is addressed through maintaining a wide range of ticket prices, as well as through several ticket subsidy schemes, free events, cinema, live streaming, digital and broadcast activity and an extensive learning and participation programme.

Grant making policy

The Charity comprises a number of separate funds. It determines the funding of projects which accord with their objects and which benefit the Royal Opera House. Each fund has a specific purpose:

- **Jean Sainsbury Fund** may be used for the support of grand opera and classical ballet. The original transfer of funds to the Charity was made on the basis that the capital amount could be used to augment any annual grant to the Royal Opera House up to a total value of 5% of the value of the funds at the start of the year;
- **Paul Hamlyn Education Fund** may be used to support the activities of the educational projects of the Royal Opera House. Applications are considered against the objects of the fund and the most suitable projects chosen in consultation with the Paul Hamlyn Foundation;
- **Franklin Fund** is used to support choreographic work at the Royal Opera House;
- **Derek Butler Apprenticeship Fund** is to be used to support the training of apprentices at the Royal Opera House. It is to be used over ten years from 2013 and due to the financial performance of the fund and due to COVID interrupting the schedule, there is still a balance remaining and the Derek Butler Trust have agreed that apprentices continue to be funded until the fund runs out;
- **Paul Ferguson Memorial Fund** is used to support ballet;
- **Susan A. Olde OBE Music Director Fund** is to be used to support the office of the Music Director. It is to be used over six seasons from 2017/18 and was agreed to use the remaining funds to support the Tony P. Gala in 2023/24 season;
- **Main Endowment Fund** Unrestricted funds may be used in accordance with the charitable objects at the discretion of the trustees. The restricted funds may also be used in accordance with the object of the Charity, specifically relating to grants out of capital. This object requires that the trustees (acting unanimously) have a clear policy for restoring any grant out of capital within a period of five years or in exceptional circumstances a period not exceeding ten years.

Achievements and performance

During the year the Charity made grants of £2,324,000 (*Year ended 31 August 2022: £6,062,000*) to the Royal Opera House. The grants made were as follows:

Productions £936,000:

- **Main Endowment Fund** – £706,000 to the core work of the artistic companies.
- **Jean Sainsbury Fund** - £170,000 to support *La Traviata;*
- **Paul Ferguson Memorial Fund** - £60,000 to support *Mayerling.*

Education and Apprenticeships £555,000:

- **Paul Hamlyn Education Fund** - £415,000 to support a variety of learning and access projects;
- **Derek Butler Apprenticeship Fund** - £140,000 to support the Apprenticeship Scheme.

Other £833,000:

- **Susan A. Olde OBE Music Director Fund** - £833,000 to support the office of the Music Director;

The investment managers during the year, Stonehage Fleming Investment Management Limited, Troy Asset Management Limited and Newton Investment Management Limited, achieved a combined capital growth and income return net of investment management fees of 1.56% for the year ended 31 August 2023 (*Year ended 31 August 2022 decrease of 1.82%).* The return for 2023 did not exceed the blended target of CPI plus 3.5% (10.2%). Investments with Stonehage Fleming which are long term in nature are being progressively wound down.

During the year, the trustees agreed a deed of variation to the leases of £12m. This has resulted in an increase in overall fund balances and other income of £6.3m in the year, the difference in the carrying value of the leases (£5.7m) and the £12m secured from the variation.

Since August 2023, the trustees have made some changes with regards to the investment managers. All funds held with Troy Asset Management Limited have been liquidated, and the trustees have placed a new investment of £15m with TCI Fund Management Limited. The trustees are reviewing options for other investments and until that time have placed funds on deposit.

Financial review

Grants totalling £2,324,000 (*Year ended 31 August 2022 £6,072,000*) were made to the ROHCGF in furtherance of the Charity's objects. Other resources expended related primarily to the management of investments, and the marketing of the Charity as a beneficiary of legacy income for the benefit of the Royal Opera House. The investment managers' fees were £269,153 (*Year ended 31 August 2022 £275,452*).

The total funds at 31 August 2023 were £52.6m (*Year ended 31 August 2022 £46.8m*). The net increase in funds for the year as set out in the statement of financial activities was £5,809,929 (*Year ended 31 August 2022: decrease of £4,728,434*), comprising net incoming resources of £5,757,637 and net realised and unrealised gain of £52,292 on investments held with investment managers. Funds held with investment managers at the end of the year were £38,274,608 (*2022: £*38,426,122) including cash holdings with investment managers of £9,566,971 (*2022: £7,516,427*) disclosed under Fixed Assets. Additional cash balances at the bank at the end of the year were £13,784,582 (2022: £2,785,453).

Investment powers and policy

There are no restrictions on the investment powers of the trustees. The trustees are permitted to invest and reinvest the trust fund, providing the objects and purposes of the Charity are met, and subject to such consents as may be required by law.

Investment Policy

The Trustees reviewed and agreed an Investment Policy in line with the Charities Commission Guidance CC14. A summary of the key investment objects are as follows:

- Generate investment income to support the grant income available to support the ROHCGF; and
- Deliver capital growth to maintain the real value of investments for future years.

To achieve the above objects the trustees have set the investment benchmark of a total blended return of CPI +3.5% on a rolling basis.

ROHCGF is focused on managing investments in line with the broader environmental, social and governance (ESG) strategy, and over time, the Trustees are fully committed to ensure their funds reflect the ESG position of the ROHCGF.

Reserves policy

The trustees have reviewed the free reserves (comprising unrestricted net current assets) of the Charity which are £253,837 at 31 August 2023 (*31 August 2022: £210,890*). Free reserves are intended to give the Charity financial flexibility and a buffer against operational risks. Having considered the Charity's commitments with regard to the sensitivity of investment returns in the economic climate, the trustees have considered the level of free reserves and believe total reserves are at an appropriate level at the year ended 31 August 2023. The aim has been to build up free reserves to ensure that grants can be made to the Royal Opera House in future years even if investment income underperforms.

Trustees and trustees' interests

No Trustee received any remuneration for his or her services or was reimbursed for out of pocket expenses, nor was the Charity involved with any contracts or transactions in which any trustee had a material interest.

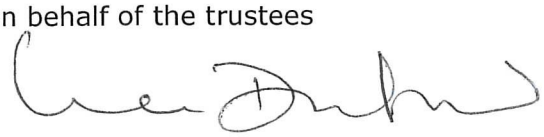
Plans for future periods

The Charity seeks to increase its capital base by actively marketing the Charity as the recipient of legacy and philanthropic income pledged in support of the Royal Opera House and by achieving capital growth in line with or in excess of investment objects. Grant applications will continue to be considered for the funding of projects which benefit the Royal Opera House which are consistent with the Charity Commission's guidelines on public benefit.

Auditors

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself / herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

On behalf of the trustees



Dame Vivien Duffield
Chair
20 March 2024

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Trustees of Royal Opera House Endowment Fund 2000

Opinion

We have audited the financial statements of Royal Opera House Endowment Fund 2000 (the 'charity') for the year ended 31 August 2023 which comprise Statement of Financial Activities, the Balance Sheet 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 charity's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year 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 Charities Act 2011.

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 charity 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Financial Statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.
- In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations included General Data Protection Regulation (GDPR) and Health and Safety legislation.

- Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations through enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.
- We identified the greatest risk of material impact on the Financial Statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit and Risk Committee about its own identification and assessment of the risks of irregularities, testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW
22 March 2024

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of financial activities for the year ended 31 August 2023

	Note	Unrestricted £	Restricted £	Endowment £	2023 Total £	2022 Total £
Income and endowments from:						
Donations and legacies	2	-	-	**913,733**	**913,733**	1,797,741
Investment	4	**764,082**	**388,110**	-	**1,152,192**	489,357
Other income	5	-	-	**6,300,000**	**6,300,000**	-
Total incoming		**764,082**	**388,110**	**7,213,733**	**8,365,925**	2,287,098
Expenditure on:						
Raising funds						
Raising donations and legacies	7	**(15,135)**	-	-	**(15,135)**	(20,304)
Investment managers' fees		-	-	**(269,153)**	**(269,153)**	(275,452)
Charitable activities						
Grants to Royal Opera House Covent Garden Foundation	6	**(706,000)**	**(612,343)**	**(1,005,657)**	**(2,324,000)**	(6,072,000)
Total expenditure		**(721,135)**	**(612,343)**	**(1,274,810)**	**(2,608,288)**	(6,367,756)
Net gains/(losses) on investments	8	-	-	**52,292**	**52,292**	(647,776)
Net income / (expenditure)		**42,947**	**(224,233)**	**5,991,215**	**5,809,929**	(4,728,434)
Transfer between funds	15	-	**29,278**	**(29,278)**	-	-
Net movement in funds		**42,947**	**(194,955)**	**5,961,937**	**5,809,929**	(4,728,434)
Reconciliation of funds						
Fund balances brought forward at 1 September 2022 as previously stated	14;15	**210,890**	**1,776,690**	**44,804,781**	**46,792,361**	51,520,795
Restatement	15	-	**(1,581,735)**	**1,581,735**	-	-
Fund balances brought forward at 1 September 2022 restated	14;15	**210,890**	**194,955**	**46,386,516**	**46,792,361**	51,520,795
Fund balances carried forward at 31 August 2023	14;15	**253,837**	-	**52,348,453**	**52,602,290**	46,792,361

Incoming resources arise from continuing operations.

The Charity had no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 15 to 27 form part of these financial statements.

Balance sheet
as at 31 August 2023

	Note	2023 £	2022 Restated £
Fixed assets			
Investments	11	**38,274,608**	38,426,122
Current assets			
Debtors amounts falling due after more than one year	12	**-**	5,430,000
Debtors amounts falling due within one year	12	**548,100**	404,102
Cash at bank		**13,784,582**	2,785,454
Total current assets		**14,332,682**	8,619,556
Creditors: amounts falling due within one year	13	**(5,000)**	(253,317)
Net current assets		**14,327,682**	8,366,239
Net assets	14	**52,602,290**	46,792,361
Unrestricted	15	**253,837**	210,890
Restricted	15	**-**	194,955
Endowment	15	**52,348,453**	46,386,516
Funds	15	**52,602,290**	46,792,361

These financial statements were approved and signed on 20 March 2024 by:

Dame Vivien Duffield
Chair

The notes on pages 15 to 27 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 Charity's financial statements.

Basis of preparation

The financial statements are prepared in accordance with the FRS102 applicable accounting standards and the Charities Act 2011. They have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments. The Charity has adopted the Statement of Recommended Practice "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). There are no material departures from FRS102.

The Charity meets the definition of a qualifying entity under FRS102 as the results of the Charity are consolidated into the ROHCGF's financial statements which are publicly available. In accordance with FRS 102 S1.12, the Charity has taken advantage of the exemptions in respect of the preparation of a cash flow statement and the disclosure of financial instruments.

The Charity was established by trust deed in the United Kingdom on 14 December 2001 and is a registered charity number 1089928. The charity is registered in England and its principal address is Royal Opera House, Covent Garden, London, WC2E 9DD.

Going Concern

The Trustees consider that the going concern assumption is an appropriate basis on which to prepare these financial statements. Working closely with the investment managers to invest the funds with minimal risk (as set out within the heading Going Concern on pages 4 to 5) the Trustees consider the Charity has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from the date of the approval of these financial statements. For this reason, the financial statements have been prepared on a going concern basis.

Public Benefit

The Charity delivers public benefit by making grants on an annual basis to Royal Opera House Covent Garden Foundation, ('ROHCGF' or 'the Royal Opera House'). The Charity is a public benefit entity under FRS102.

Significant judgements and key sources of estimation uncertainty

Management have exercised their judgement in determining that the fair value of the leased commercial units at the inception of the leasing arrangement amounts to the initial payments paid by the third party and the present value of rent receipts over the term of the lease and determining that the residual value of the leased units at the end of the lease term is negligible when discounted to present value. However, after change in the terms there is no longer finance lease receipts going forward. See Note 12 for carrying values for the prior periods.

Fixed asset investments

Investments are shown at fair value as at the balance sheet date. Realised and unrealised gains on investments are recognised in the statement of financial activities, and are treated as attributable to Restricted Capital funds. A breakdown of the level in

the following fair value hierarchy into which the fair value measurements are categorised is disclosed. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for asset or liability.

Finance leases
Finance leases are leases in which substantially all the risks and rewards of ownership, other than legal title, are transferred to the lessee. Assets acquired and held for use under finance leases are presented as a debtor at an amount equal to the net investment in the lease. Finance income is subsequently recognised at a constant periodic rate of return on that net investment. Contingent rentals arising under finance leases are recognised on receipt.

Fund accounting
Unrestricted funds may be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are to be used in accordance with the object of the Charity and specific restrictions placed by the donor.

Endowment funds represent those assets that are required to be invested. These funds include both permanent endowment funds, where there is no power to convert the capital into income and the funds are required to be held permanently by the Charity, and expendable endowment funds where the trustees have the power to convert the capital into expendable income. These funds are invested to produce income to meet expenditure, as directed by the terms of the endowment or by the terms of the Charity.

Functional Currency
The Charity operates primarily in the UK and the functional currency as well as the reporting currency is the pound sterling.

Income
Income is recognised only when it is probable that the economic benefits associated with the transaction will flow to the charity and the amount of the revenue can be measured reliably. Investment income is recognised on an accruals basis. Specifically, interest is recognised using the effective interest method and dividend income is recognised when the right to receive payment is established. Income from grants and donations is accounted for when the receipt is probable, there is evidence of entitlement and can be measured reliably. Entitlement is assessed using performance and time-restriction conditions. Pecuniary legacies are recognised when the legacy has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the legacy will be received. Residual legacies are recognised on the earlier of receipt of the finalisation of estate accounts. Where legacies have been notified to the charity, but the income criteria have not been met, these are disclosed as contingent assets, see note 3.

Charitable expenditure
Expenditure is included on an accruals basis. Grants are recognised in the financial year in which the grant has been awarded.

Cash at bank and in hand
Cash at bank includes cash equivalents which are defined as short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

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 where receipt is not deferred beyond normal terms. Where receipt is deferred beyond normal terms, the debtor is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. In both instances, measurement is net of provision for doubtful debts.

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. Contracted commitments are not recorded as liabilities on the balance sheet, as the criteria for recognition have not been met. Commitments are disclosed in note 16.

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.

Prior year adjustment
A reclassification of the Susan Olde Music Director Fund totalling £1,581,735 from restricted funds to endowment funds for the opening reserves has been made.

2 Donations and legacies

	Permanent endowment	Expendable endowment	2023 Total	Permanent endowment	Expendable endowment	2022 Total
	£	£	£			£
Legacies	**843,144**	**-**	**843,144**	1,624,292	-	1,624,292
Other donations	**70,589**	**-**	**70,589**	173,449	-	173,449
	913,733	-	**913,733**	1,797,741	-	1,797,741

Donations and legacies are directed to support and grow the capital in the Charity unless otherwise directed by the donor. The Trustees have declared a legal trust over these incoming resources to invest and hold these funds as permanent endowment funds.

3 Contingent assets

The Charity is the beneficiary of a number of legacies, the value of which cannot be ascertained with certainty. Based on the information available at the date of the financial statements, it is estimated that the Charity will receive approximately £2.5m from these legacies.

As the receipt of these legacies is dependent on future events, they are not recognised as an asset in the statement of financial position. However, they are disclosed in this note as a contingent asset in accordance with FRS 102 SORP paragraph 5.34.

4 Investment income

	2023	2022
	£	£
Finance lease interest income	**136,092**	270,202
Dividend and interest income	**1,016,100**	219,155
	1,152,192	489,357

Dividend and interest income is earned on funds managed by the Investment Managers and interest on bank deposits held at Coutts and Co. Finance lease interest income and contingent rents are derived from leases for the retail units on the site of the Royal Opera House.

5 Other income

During the year ended 31st August 2023 the Charity recognised a total of £6,300,000 (2022: nil) in other income. This income was generated from variation of the lease of retail units. The gain of £6.3m resulting from the variation of the leases was after the property valuation undertaken by Gerald Eve LLP on 19 September 2019 deemed the fair value of this asset to be £12m and the book value held under debtors was £5.7m.

6 Grants

During the year the Charity made grants of £2,324,000 (*2022: £6,072,000*) to the Royal Opera House in support of the following productions/projects:

	Unrestricted funds	Restricted funds	Permanent Endowment	Expendable Endowment	Endowment Total	Total
	£	£	£	£	£	**£**
Core work of artistic companies	706,000	-	-	-	-	**706,000**
La Traviata	-	77,934	-	92,066	92,066	**170,000**
Mayerling	-	60,000	-	-	-	**60,000**
Education projects	-	415,000	-	-	-	**415,000**
Derek Butler Apprentices	-	24,176	-	115,824	115,824	**140,000**
Susan Olde	-	35,233	-	797,767	797,767	**833,000**
	706,000	**612,343**	**-**	**1,005,657**	**1,005,657**	**2,324,000**

7 Expenditure on raising donations and legacies

	2023	2022
	£	£
Marketing and publicity	**10,135**	15,304
Ground rent	**5,000**	5,000
	15,135	20,304

8 Gains and losses on revaluations and disposals of investments

	2023	2022
	£	£
Realised gains on disposal of investments	**18,466**	35,233
Unrealised gain on revaluation of other investments	**33,826**	(683,009)
	52,292	(647,776)

During the year there were gains on investments totalling £52,292 (*2022: £647,776 loss*). Of this £33,826 relates to unrealised gains primarily due to positive movements in the fair value of the investments held by Troy and Newton, £18,466 relates to realised gains on the disposal of investments in Stonehage fund.

Realised gains on investments are classified as 'Restricted Capital' within the Statement of financial activities, as they were reinvested within the investment portfolio and were not available to be utilised at the discretion of the trustees.

9 Trustees' remuneration

Trustees received no remuneration and were paid no expenses during the year (*2022: nil).* The Charity does not have any employees.

10 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Due to the high value of non-business and exempt activities, the Charity is unable to recover any tax on many of its purchases. All non-recoverable VAT is included within the appropriate expenditure headings.

11 Fixed asset investments

	2023	2022
	£	£
Held with investment managers:		
- Venture funds	**129,160**	216,522
- Quoted equities	**12,642,182**	18,026,372
- Hedge funds	**5,115**	4,931
- Bonds	**12,308,405**	9,026,654
- Cash funds	**9,566,971**	7,516,427
- Gold	**3,622,775**	3,635,216
Total investments with Investment Managers	**38,274,608**	38,426,122

The movements in investments held with investment managers were as follows:

	2023			2022		
	Listed investments	**Other investments**	**Total investments**	Listed investments	Other investments	Total investments
	£	**£**	**£**	£	£	£
Market value at beginning of the period	**37,956,972**	**469,150**	**38,426,122**	38,466,326	608,777	39,075,103
Additions (at cost)	**1,194**	**-**	**1,194**	-	-	-
Disposals (at opening market value)	**-**	**(205,000)**	**(205,000)**	-	-	-
Net realised and unrealised investment (loss) / gain	**105,197**	**(52,905)**	**52,292**	(509,354)	(139,627)	(648,981)
Market value at end of the period	**38,063,363**	**211,245**	**38,274,608**	37,956,972	469,150	38,426,122
Historical cost at end of the period	**34,675,689**	**761,414**	**35,437,103**	34,675,688	761,414	35,437,102

As at 31st August 2023 investments held with investment managers are measured at fair value, £38.1m (2022: £38.2m) categorised as Level 1 and £0.1m (2022: £0.2m) as Level 3.

Split of investments between those based in the UK and those that are based overseas:

	UK	**Overseas**	**2023 Total**	UK	Overseas	2022 Total
	£	**£**	**£**	£	£	£
All Equities	**4,367,583**	**9,060,184**	**13,427,767**	5,337,717	12,688,655	18,026,372
Bonds	**1,627,749**	**9,962,632**	**11,590,381**	3,573,830	5,452,824	9,026,654
Alternative Investments*	**134,275**	**-**	**134,275**	221,453	-	221,453
Cash	**4,065,247**	**5,434,163**	**9,499,410**	7,516,427	-	7,516,427
Gold	**3,622,775**	-	**3,622,775**	3,635,216	-	3,635,216
	13,817,629	**24,456,979**	**38,274,608**	20,284,643	18,141,479	38,426,122

* Alternative investments include Hedge Funds, Commodities, Property, Special Situations LLPs, Infrastructure and Currency Options.

12 Debtors

	2023	2022
	£	£
Debtors: amounts falling due after more than one year		
Finance lease rental income	-	5,430,000
	-	5,430,000
Debtors: amounts falling due within one year		
Finance lease rental income due within one year	-	270,000
Investment income receivable	**144,625**	-
Amounts owed by ROHCGF	**113,791**	-
Accrued income	**289,684**	134,102
	548,100	404,102

The 5% income interest in the leases of the retail units on the site of the Royal Opera House was accounted for as a finance lease debtor and therefore held at an historic valuation which in total was £5.7m until 28th February 2023 when a deed of variation on the leases was agreed.

	2023	2022
	£	£
Gross investment in a finance lease at the end of the period	-	59,243,000
Unearned finance income for the period	-	(53,543,000)
Present value of minimum lease payments at the end of the period	-	5,700,000

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Amounts owing to ROHCGF	-	8,700
Amounts owing to ROH Holdings Limited	**5,000**	10,000
Deferred rental income	-	19,499
Other creditors	-	215,118
	5,000	253,317

	2023	2022
	£	£
Deferred income at beginning of year	**19,499**	19,499
Rental income received	**116,594**	270,202
Released to Statement of financial activities	**(136,093)**	(270,202)
Deferred income at the end of year	-	19,499

14 Analysis of net assets between funds

	Investments	Cash at bank and in hand	Other net current assets	Total
	£	£	£	£
Unrestricted funds	-	114,212	139,625	253,837
Restricted funds	-	-	-	-
Endowment	38,274,608	13,670,370	403,475	52,348,453
At 31 August 2023	**38,274,608**	**13,784,582**	**543,100**	**52,602,290**

	Investments	Cash at bank and in hand	Other net current assets	Total
	£	£	£	£
Unrestricted funds	-	243,100	(32,210)	210,890
Restricted funds	-	194,955	-	194,955
Endowment	38,426,122	2,347,399	5,612,995	46,386,516
At 31 August 2022 restated	**38,426,122**	**2,785,454**	**5,580,785**	**46,792,361**

15 Funds

	At 1 September 2022 as previously stated £	Restatement £	At 1 September 2022 as restated	Income £	Expenditure	Gains/(losses) £	Transfers £	At 31 August 2023 £
Permanent endowment								
Main endowment fund	**28,711,726**	-	**28,711,726**	7,213,734	(143,581)	67,851	(6,115)	**35,843,615**
Paul Hamlyn Education	**9,799,402**	-	**9,799,402**	-	(74,602)	(73,185)	(27,682)	**9,623,933**
Paul Ferguson Memorial Fund	**2,210,290**	-	**2,210,290**	-	(11,637)	51,645	4,519	**2,254,817**
Total permanent endowment funds	**40,721,418**	-	**40,721,418**	7,213,734	(229,820)	46,311	(29,278)	**47,722,365**
Expendable endowment								
Jean Sainsbury Fund	**3,390,453**	-	**3,390,453**	-	(115,817)	16,011	-	**3,290,647**
Franklin Fund	**551**	-	**551**	-	(4)	(3)	-	**544**
Derek Butler Apprenticeship	**692,359**	-	**692,359**	-	(121,116)	1,738	-	**572,981**
Susan Olde Music Director Fund	-	1,581,735	**1,581,735**	-	(808,054)	(11,765)	-	**761,916**
Total expandable endowment funds	**4,083,363**	1,581,735	**5,665,098**	-	(1,044,991)	5,981	-	**4,626,088**
Restricted funds								
Paul Hamlyn Education	**189,845**	-	**189,845**	197,473	(415,000)	-	27,682	-
Paul Ferguson Memorial Fund	-	-	-	58,404	(60,000)	-	1,596	-
Jean Sainsbury Fund	-	-	-	77,934	(77,934)	-	-	-
Franklin Fund	**(5)**	-	**(5)**	8	(3)	-	-	-
Derek Butler Apprenticeship	**5,115**	-	**5,115**	19,061	(24,176)	-	-	-
Susan Olde Music Director Fund	**1,581,735**	(1,581,735)	-	35,233	(35,233)	-	-	-
Total restricted funds	**1,776,690**	(1,581,735)	**194,955**	388,113	(612,346)	-	29,278	-
Unrestricted funds								
General	**210,890**	-	**210,890**	764,080	(721,132)	-	-	**253,837**
Total funds	**46,792,361**	-	**46,792,361**	**8,365,927**	**(2,608,289)**	**52,292**	-	**52,602,290**

Main Endowment Fund is the Trust Fund as defined in the Charity's Trust Deed.

The above disclosure demonstrates the source of the Charity's funds.

The Prior year restatement relates to a reclassification of the Susan Olde Music Director Fund totalling £1,581,735 from restricted funds to endowment funds.

Transfers of £29,278 relate to corrections on the funds to ensure carried forward balances are accurate.

Funds currently represent:

- The **Main Endowment Fund** is a permanent Endowment. This comprises the surplus on the Royal Opera House Development Appeal held in the form of cash and property assets, and subsequent donations and legacies.
- The **Jean Sainsbury Fund** was created from a transfer of funds from the Jean Sainsbury Royal Opera House Fund, which was wound up in March 2004. The annual grant, to be spent on grand opera or classical ballet, is in the name of the Jean Sainsbury Fund. The original transfer of funds to the Charity was made on the basis that the capital amount could be used to augment any annual grant to the Royal Opera House up to a total value of 5% of the value of the funds at the start of the year. This is an expendable endowment.
- The **Paul Hamlyn Education Fund** is a separate fund comprising a donation received from the Paul Hamlyn Foundation. Income generated and capital, subject to certain restrictions, may be used to support the activities of the educational projects of the Royal Opera House. This is a permanent endowment. The funding agreement was amended 28 September 2022 to approve the payment of £3,774,000 to ROHCGF as an

exceptional grant in the 2022 financial year, being part of the income accumulated in the Paul Hamlyn Educational Fund.

- The **Franklin Fund** is a separate fund comprising a donation received from the late John Franklin. The income and capital from the Franklin Fund may be used to support the choreographic work at the Royal Opera House, and is therefore an expendable endowment.
- The **Derek Butler Apprenticeship Fund** is a separate fund created from a donation of £1.875m from the Derek Butler Trust to endow the Royal Opera House Apprenticeship Scheme. This is an expendable endowment to be spent over 10 years starting from September 2013 and with the balance agreed to be used for apprentices until the fund runs out.
- The **Paul Ferguson Memorial Fund** was established by the Peyton Trust as a permanent endowment which supports ballet.
- The **Susan A. Olde OBE Music Director Fund** is a separate fund created from a donation received from Susan A. Olde OBE to support the office of the Music Director. This is an expendable endowment to be spent over six seasons from 2017/18. Although the sixth payment has gone through in the year 22/23, the remaining income generated by the fund to be used for a special gala in honour of Sir Antonio Pappano in the following season.

Funds (as at 31 August 2022)

	At 1 September 2021 £	Income £	Expenditure	Gains/(losses) £	Transfers £	At 31 August 2022 £
Permanent endowment						
Main endowment fund	27,684,773	1,797,741	(134,261)	(340,375)	(296,152)	28,711,726
Paul Hamlyn Education	14,188,399	-	(4,271,413)	(117,584)	-	9,799,402
Paul Ferguson Memorial Fund	2,318,139	-	(17,742)	(90,107)	-	2,210,290
Total permanent endowment funds	44,191,311	1,797,741	(4,423,416)	(548,066)	(296,152)	40,721,418
Expendable endowment						
Jean Sainsbury Fund	3,637,229	-	(166,210)	(80,566)	-	3,390,453
Franklin Fund	551	-	-	-	-	551
Derek Butler Apprenticeship	851,510	-	(147,662)	(11,489)	-	692,359
Susan Olde Music Director Fund	-	-	-	-	-	-
Total expandable endowment funds	4,489,290	-	(313,872)	(92,055)	-	4,083,363
Restricted funds						
Paul Hamlyn Education	189,698	147	-	-	-	189,845
Paul Ferguson Memorial Fund	-	53,884	(53,884)	-	-	-
Jean Sainsbury Fund	-	29,064	(29,064)	-	-	-
Franklin Fund	-	-	(5)	-	-	(5)
Derek Butler Apprenticeship	-	5,115	-	-	-	5,115
Susan Olde Music Director Fund	2,439,606	-	(850,216)	(7,655)	-	1,581,735
Total restricted funds	2,629,304	88,210	(933,169)	(7,655)	-	1,776,690
Unrestricted funds						
General	210,890	401,147	(697,299)	-	296,152	210,890
Total funds	**51,520,795**	**2,287,098**	**(6,367,756)**	**(647,776)**	-	**46,792,361**

16 Commitments

The Charity has no capital commitments as at 31 August 2023 (2022: nil).

The Charity has commitments for future minimum lease payments under a non-cancellable operating lease as follows:

	2023 £	2022 £
Not later than one year	5,000	5,000
Later than one year and not later than five years	20,000	20,000
Later than five years	1,066,235	1,071,235

The lease payments payable are guaranteed at the greater of a minimum annual amount of £5,000 throughout the life of the long lease (expiry in December 2241) and 0.5% of 5% of the rents collected in an associated lease, held by the Charity. The lease held by ROH Endowment has been varied on 28th of February 2023 to include Shaftesbury Capital plc (at that time known as Capital & Counties Properties plc). However, at the balance sheet date, the trustees consider this potential increased lease payments receivable to be so remote that the guaranteed minimum annual payments is recognised on a straight line basis over the lease. £5,000 was recognised as an expense during the year ended 31 August 2023 (2022: £5,000).

17 Transactions with trustees, connected persons, connected Charities and other related parties

Connected Charities

(a) Royal Opera House Covent Garden Foundation – registered charity no. 211775 and registered company no. 480523
The principal activity of the ROHCGF is to promote and assist in the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, to raise the artistic taste of the country, and to procure and increase the appreciation and understanding of the musical art in all its forms. The power of appointing new trustees of the Charity is vested in the trustees who consult ROHCGF before any exercise of this power. The trustees ensure that three of the trustees are directors of ROHCGF only for so long as Sir Simon Robey remains a director of ROHCGF and otherwise no more than two of the trustees are directors ROHCGF and that no employee of ROHCGF is appointed a trustee.

Grants made to ROHCGF are disclosed in note 6.

(b) ROH Holdings Ltd – registered company no. 02580395
ROH Holdings Ltd is a holding company with one subsidiary, ROH Developments Limited, a property development company.

ROH Holdings Ltd charges the Charity for ground rent for the property lease held by the Charity which represents a 5% income interest in the leases for the retail units on the site of the Royal Opera House.

The ground rent charged by ROH Holdings Ltd to the Charity is disclosed in note 7 and the related operating lease commitments in note 16.

(c) Royal Opera House Enterprises Limited – registered company no. 04112266
Royal Opera House Enterprises Limited is a subsidiary of ROHCGF and is an event, catering and video production company.

Amounts due to and from connected Charities are disclosed in the notes to these accounts. There were no other transactions with trustees, connected persons or connected charities during the year and trustees received no remuneration and were paid no expenses during the year (2022: nil).

18 Ultimate parent undertaking

The smallest and largest group into which the accounts of the Charity are consolidated is the ROHCGF, (Royal Opera House Covent Garden Foundation (Limited by guarantee), company number 480523, registered charity no. 211775 whose object it is to promote and assist in the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, to raise the artistic taste of the country, and to procure and increase the appreciation and understanding of the musical art in all its forms), the ultimate parent undertaking incorporated in the United Kingdom. ROHCGF exercises dominant influence over the Charity being both the power to govern and the ability to benefit from the Charity's activities. Three of the trustees are directors of ROHCGF only for so long as Sir Simon Robey remains a director of ROHCGF and otherwise no more than two of the Trustees are directors ROHCGF, all new trustees appointed must be done so in consultation with the ROHCGF and all grants are made to, or for the benefit of the ROHCGF. Its accounts are available to the public and may be obtained from The Royal Opera House, Covent Garden, London WC2E 9DD.

19 Statement of financial activities for the year ended 31 August 2022 (restated)

	Note	Unrestricted £	Restricted £	Endowment £	2022 Total £	2021 Total £
Income and endowments from:						
Donations and legacies	2	-	-	1,797,741	1,797,741	1,900,359
Investment	4	401,147	88,210	-	489,357	711,922
Total incoming		401,147	88,210	1,797,741	2,287,098	2,612,281
Expenditure on:						
Charitable activities						
Grants to Royal Opera House Covent Garden Foundation	6	(677,000)	(915,949)	(4,479,051)	(6,072,000)	(2,426,000)
Raising funds						
Raising donations and legacies	7	(20,299)	(5)	-	(20,304)	(8,883)
Investment managers' fees		-	(17,215)	(258,237)	(275,452)	(246,494)
Total expenditure		(697,299)	(933,169)	(4,737,288)	(6,367,756)	(2,681,377)
Net (loss) / gains on investments	8	-	(7,655)	(640,121)	(647,776)	4,461,799
Net (expenditure) / income		(296,152)	(852,614)	(3,579,668)	(4,728,434)	4,392,703
Transfer between funds	15	296,152	-	(296,152)	-	-
Net movement in funds		-	(852,614)	(3,875,820)	(4,728,434)	4,392,703
Reconciliation of funds						
Fund balances brought forward at 1 September 2021	14;15	210,890	2,629,304	48,680,601	51,520,795	47,128,092
Fund balances carried forward at 31 August 2022 as previously stated	14;15	210,890	1,776,690	44,804,781	46,792,361	51,520,795
Restatement	15	-	(1,581,735)	1,581,735	-	-
Fund balances carried forward at 31 August 2022 restated	14;15	210,890	194,955	46,386,516	46,792,361	51,520,795

THE ROYAL OPERA HOUSE ENDOWMENT FUND 2000

England & Wales - Charity number 1089928

Accounts

ROYAL
OPERA
HOUSE

The Royal Opera House Endowment Fund 2000

Trustees' report and financial statements
Charity number 1089928
Year Ended 31 August 2022

Contents

Trustees' report	3
Statement of trustees' responsibilities	9
Independent auditor's report to the Trustees of the Royal Opera House Endowment Fund 2000	10
Statement of financial activities	14
Balance sheet	15
Notes	16

Trustees' report

The trustees present their report together with the audited accounts for the year ended 31 August 2022. These accounts and annual returns will be filed with the Charity Commission.

Reference and administrative details of the charity, its trustees and advisors

Charity Number	1089928
Principal Office	Royal Opera House, Covent Garden, London, WC2E 9DD
Auditors	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Bankers	Coutts and Co 440 Strand London WC2R 0QS
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Investment Managers	Stonehage Fleming Investment Management Limited 6 St James's Square London SW1Y 4JU Troy Asset Management Limited 33 Davies Street London W1K 4BP Newton Investment Management Limited BNY Mellon Centre 160 Queen Victoria Street London EC4V 4LA
Trustees	Dame Vivien Duffield (Chair) Tim Bunting (Royal Opera House Trustee) Caroline Britton (Royal Opera House Trustee, appointed November 2022) Hamish Forsyth (Independent Trustee) Sir Simon Robey (Deputy Chair, Independent Trustee) Peter Troughton CVO CBE (Independent Trustee) Lady Gavron (Independent Trustee, appointed November 2021)
Secretary to the trustees	Leah Hurst

Structure, governance and management

Governing document
The Royal Opera House Endowment Fund 2000, ('the Charity'), was established by trust deed on 14 December 2001 and is a registered charity number 1089928.

Appointment and training of trustees
The trustees who have served wholly or partly during the year are set out on the previous page. The appointment of new trustees is vested in the existing trustees who shall consult the Royal Opera House before any appointment. The trustees shall ensure that three of the Trustees are directors of Royal Opera House Covent Garden Foundation, ('ROHCGF' or 'the Royal Opera House') only for so long as Sir Simon Robey remains a director of ROHCGF, otherwise no more than two of the Trustees are directors ROHCGF, and that no employee of ROHCGF is appointed a trustee. There shall be not less than five nor more than eight trustees of the Charity.

Trustees hold office for an initial term not exceeding three years and are eligible for reappointment for further terms not exceeding three years but may resign as trustee before the expiry of any term by notice in writing to the trustees.

The trustees appoint one of their number as the chairman of the trustees.

New trustees undergo an induction session with the secretary to the trustees to brief them on their obligations under charity law, the content of the trust deed, and the conduct of trustee meetings.

Organisation
The direction and control of the Charity is determined by the trustees, who meet at least twice a year. As set out in the Charity SORP, the trustees are the key management personnel with oversight of the management and activities of the Charity. They receive no compensation. Day to day management and administration of the Charity is delegated to Alex Beard (Chief Executive Officer of the Royal Opera House), who attends the trustee meetings.

Connected charities and companies
ROHCGF ('the Royal Opera House') – registered charity no. 211775. The Charity holds investments and generates income to grant to the ROHCGF. The principal activity of the ROHCGF is the presentation of opera and ballet performances at the Royal Opera House and tours in the United Kingdom and overseas. The power of appointing new trustees of the Charity is vested in the trustees who consult ROHCGF before any exercise of this power. The trustees ensure that three of the Trustees are directors of ROHCGF only for so long as Sir Simon Robey remains a director of ROHCGF and otherwise no more than two of the Trustees are directors ROHCGF and that no employee of ROHCGF is appointed a trustee. There shall be not less than five nor more than eight trustees of the Charity.

ROH Holdings Ltd – registered company no. 02580395. This is a holding company with one subsidiary, ROH Developments Limited, a property development company.

Royal Opera House Enterprises Limited – registered company no. 04112266. This is a subsidiary of ROHCGF.

Going Concern
The Trustees must satisfy themselves as to the Charity's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Trustees continue to work closely with the investment managers to ensure funds are invested as

effectively as possible to minimise exposure to risk. As the Charity holds endowments and other funds of £46.8m, the Trustees feel there is little risk of the Charity not being able to continue in operational existence for the foreseeable future and for this reason the financial statements have been prepared on a going concern basis.

Risk Management

The trustees have examined the major strategic and operational risks that face the Charity and are satisfied there are systems in place to mitigate identified risks. The trustees have received assurances from the Audit & Risk Committee of ROHCGF of the effectiveness of the internal controls. The main risks identified relate to the state of the UK economy, which has a direct impact on investment values and fundraising generally. The performance of investments is key to creating capital growth and income that can be granted to the ROHCGF in the furtherance of its charitable objects. The trustees manage this risk by regularly meeting with the Investment Managers and by scrutinising regular updates and presentations from the Investment Managers to understand the risk profile of the investments. Annually, the trustees review the risk register for the Charity.

Objects and activities

The objects of the Charity are to promote the education of the public in the arts of opera and ballet by making grants to, or for the benefit of, the Royal Opera House. The Charity does this by seeking to increase its capital base by actively marketing the Charity as a recipient of legacy income and other gifts. The Charity also generates capital growth and income in order to make grants to the Royal Opera House.

The ROHCGF aims to enrich people's lives through opera and ballet. Home to two of the world's great artistic companies – The Royal Opera and The Royal Ballet, performing with the Orchestra of the Royal Opera House – it seeks to be accessible to audiences across the UK and to break new ground in the presentation of lyric theatre.

As the world was recovering from the pandemic, the Royal Opera House delivered 365 live performances across both stages and over 543,000 tickets were sold across the season. Through the year 11 new productions were presented, of which 5 were world premieres, and 20 revivals. After the pandemic shifted focus onto remote audiences over 60,000 people watched productions streamed online. Young ROH performances were attended by 70,000 20-29 year-olds, which is 63% more than in pre-pandemic seasons. Over 7,000 children and 1,294 teachers enjoyed 6 schools matinee performances at the ROH in addition to 23,050 pupils in 397 schools taking part in the National Schools Programmes.

The Royal Opera House's achievements, supported by the Charity, are detailed in the Royal Opera House Trustees' report and financial statements for 2021/22.

Public Benefit

The Charity delivers public benefit by making grants each year to the Royal Opera House. The Trustees of the Royal Opera House refer to the Charity Commission's general guidance on public benefit when shaping and reviewing the ROHCGF charity's aims, objects and future strategies. In setting the level of ticket prices, charges and concessions, and in developing digital and broadcast distribution, the Royal Opera House Trustees give careful consideration to the accessibility of the Royal Opera House to those on low incomes. This is addressed through maintaining a wide range of ticket prices, as well as through several ticket subsidy schemes, free events, cinema, live streaming, digital and broadcast activity and an extensive learning and participation programme.

Grant making policy

The Charity comprises a number of separate funds. It determines the funding of projects which accord with their objects and which benefit the Royal Opera House. Each fund has a specific purpose:

- **Jean Sainsbury Fund** may be used for the support of grand opera and classical ballet. The original transfer of funds to the Charity was made on the basis that the capital amount could be used to augment any annual grant to the Royal Opera House up to a total value of 5% of the value of the funds at the start of the year;
- **Paul Hamlyn Education Fund** may be used to support the activities of the educational projects of the Royal Opera House. Applications are considered against the objects of the fund and the most suitable projects chosen in consultation with the Paul Hamlyn Foundation;
- **Franklin Fund** is used to support choreographic work at the Royal Opera House;
- **Derek Butler Apprenticeship Fund** is to be used to support the training of apprentices at the Royal Opera House. It is to be used over ten years from 2013 and because the fund has performed well there is still a healthy amount left and therefore the Derek Butler Trust are happy with apprentices being funded until the fund runs out;
- **Paul Ferguson Memorial Fund** may be used to support ballet;
- **Susan A. Olde OBE Music Director Fund** is to be used to support the office of the Music Director. It is to be used over six seasons from 2017/18;
- **Main Endowment Fund** Unrestricted funds may be used in accordance with the charitable objects at the discretion of the trustees. The restricted funds may also be used in accordance with the object of the Charity, specifically relating to grants out of capital. This object requires that the trustees (acting unanimously) have a clear policy for restoring any grant out of capital within a period of five years or in exceptional circumstances a period not exceeding ten years.

Achievements and performance

During the year the Charity made grants of £6,072,000 (*Year ended 31 August 2021: £2,426,000*) to the Royal Opera House. The grants made were as follows:

Productions £907,000:

- **Main Endowment Fund** – £677,000 to the core work of the artistic companies.
- **Jean Sainsbury Fund** - £170,000 to support *Romeo and Juliet;*
- **Paul Ferguson Memorial Fund** - £60,000 to support *Giselle.*

Education and Apprenticeships £558,000:

- **Paul Hamlyn Education Fund** - £418,000 to support a variety of learning and access projects;
- **Derek Butler Apprenticeship Fund** - £140,000 to support the Apprenticeship Scheme.

Other £4,607,000:

- **Susan A. Olde OBE Music Director Fund** - £833,000 to support the office of the Music Director;
- **Paul Hamlyn Education Fund** - £3,774,000 exceptional grant made to ROHCGF in support of its recovery plan.

The investment managers, Stonehage Fleming Investment Management Limited, Troy Asset Management Limited and Newton Investment Management Limited, have not achieved a capital growth and income return. Net of investment management fees it has declined 1.82% for the year ended 31 August 2022 (*Year ended 31 August 2021 increase of 11.99%).* The

return for 2022 did not exceed the blended target of CPI plus 3.5% (13.4%). Investments with Stonehage Fleming which are long term in nature are being progressively wound down.

Financial review

Grants totalling £6,072,000 (*Year ended 31 August 2021 £2,426,000*) were made to the ROHCGF in furtherance of the Charity's objects. Other resources expended related primarily to the management of investments, and the marketing of the Charity as a beneficiary of legacy income for the benefit of the Royal Opera House. The investment managers' fees were £275,452 (*Year ended 31 August 2021 £246,494*).

The total funds at 31 August 2022 were £46.8m (*Year ended 31 August 2021 £51.5m*). The net decrease in funds for the year as set out in the statement of financial activities was £4,728,434 (*Year ended 31 August 2021: increase of £4,392,703*), comprising net outgoing resources of £4,080,658 and net realised and unrealised loss of £647,776 on investments held with investment managers. Funds held with investment managers at the end of the year were £38,426,122 (*2021: £*39,075,103) including cash holdings with investment managers of £7,516,427 (*2021: £7,405,336*) disclosed under Fixed Assets. Additional cash balances at the bank at the end of the year were £2,785,453 (2021: £6,562,377).

Investment powers and policy

There are no restrictions on the investment powers of the trustees. The trustees are permitted to invest and reinvest the trust fund, providing the objects and purposes of the Charity are met, and subject to such consents as may be required by law.

Investment Policy

The Trustees reviewed and agreed an Investment Policy in line with the Charities Commission Guidance CC14. A summary of the key investment objects are as follows:

- Generate investment income to support the grant income available to support the ROHCGF; and
- Deliver capital growth to maintain the real value of investments for future years.

To achieve the above objects the trustees have set the investment benchmark of a total blended return of CPI +3.5% on a rolling basis.

ROHCGF is focused on managing investments in line with the broader environmental, social and governance (ESG) strategy, and over time, the Trustees are fully committed to ensure their funds reflect the ESG position of the ROHCGF. During the year the trustees moved funds held with Troy Asset Management Limited to their Trojan Ethical Fund.

Reserves policy

The trustees have reviewed the free reserves (comprising unrestricted net current assets) of the Charity which are £210,890 at 31 August 2022 (*31 August 2021: £210,890*). Free reserves are intended to give the Charity financial flexibility and a buffer against operational risks. Having considered the Charity's commitments with regard to the sensitivity of investment returns in the economic climate, the trustees have considered the level of free reserves and believe total reserves are at an appropriate level at the year ended 31 August 2022. The aim has been to build up free reserves to ensure that grants can be made to the Royal Opera House in future years even if investment income underperforms.

Trustees and trustees' interests

No Trustee received any remuneration for his or her services or was reimbursed for out of pocket expenses, nor was the Charity involved with any contracts or transactions in which any trustee had a material interest.

Plans for future periods

The Charity seeks to increase its capital base by actively marketing the Charity as the recipient of legacy and philanthropic income pledged in support of the Royal Opera House and by achieving capital growth in line with or in excess of investment objects. Grant applications will continue to be considered for the funding of projects which benefit the Royal Opera House which are consistent with the Charity Commission's guidelines on public benefit.

In consideration of the impact of Covid-19 on ROHCGF, the Trustees agreed to a variation in the terms of the funding agreement with The Paul Hamlyn Foundation concerning accumulated income. A de-restriction of £3,774,000 of funds was agreed, signed and paid to ROHCGF as part of its Recovery Plan in 2022.

Auditors

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself / herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

On behalf of the trustees

Dame Vivien Duffield

Dame Vivien Duffield
Chair
28 March 2023

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the trustees of Royal Opera House Endowment Fund 2000

Opinion

We have audited the financial statements of Royal Opera House Endowment Fund 2000 (the 'charity') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, the Balance Sheet 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 charity's affairs as at 31 August 2022 and of its incoming resources and application of resources for the year 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 charity 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the charity to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the charity's business model including effects arising from macro-economic uncertainties such as inflation, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on

the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report and Financial Statements. 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.

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 themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities set out on page 9, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity. We determined that the following laws and regulations were most significant: the Charities SORP (FRS 102), The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), the Charities Act 2011 and the Data Protection Act 2018.
- We understood how the charity is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, and through our legal and professional expenses review.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:

    - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
    - Challenging assumptions and judgments made by management in its significant accounting policies
    - Identifying and testing journal entries
    - Identifying and testing related party transactions
    - Inspecting the board minutes
    - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities if the engagement team included consideration of the engagement team's:

    - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
    - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
    - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation.

- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of income.
- We did not identify any matters relating to non-compliance with laws and regulation and fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:

  - The charity's operations, including the nature of its revenue sources, to understand the classes of transactions, accounts balances, expected financial statement disclosures and business risks that may result in risks of material misstatement, and
  - The charity's control environment, including:
    - Management's knowledge of relevant laws and regulations and how the charitable company is complying with those laws and regulations
    - The adequacy of procedures for authorisation of transactions and review of management accounts, and
    - Procedures to ensure that possible breaches of laws and regulations are appropriately resolved

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

28 March 2023

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities for the year ended 31 August 2022

	Note	Unrestricted £	Restricted (Income) £	Restricted (Capital) £	2022 Total £	2021 Total £
Income and endowments from:						
Donations and legacies	2	**-**	**-**	**1,797,741**	**1,797,741**	1,900,359
Investment	3	**401,147**	**88,210**	**-**	**489,357**	711,922
Total incoming		**401,147**	**88,210**	**1,797,741**	**2,287,098**	2,612,281
Expenditure on:						
Charitable activities						
Grants to Royal Opera House Covent Garden Foundation	4	**(246,587)**	**(879,048)**	**(4,946,365)**	**(6,072,000)**	(2,426,000)
Raising funds						
Raising donations and legacies	5	**(20,304)**	**-**	**-**	**(20,304)**	(8,883)
Investment managers' fees		**(134,256)**	**(54,121)**	**(87,075)**	**(275,452)**	(246,494)
Total expenditure		**(401,147)**	**(933,169)**	**(5,033,440)**	**(6,367,756)**	(2,681,377)
Net (loss) / gains on investments	6	**-**	**(7,655)**	**(640,121)**	**(647,776)**	4,461,799
Net (expenditure) / income and movement in funds		**-**	**(852,614)**	**(3,875,820)**	**(4,728,434)**	4,392,703
Fund balances brought forward at 1 September 2021	12;13	**210,890**	**2,629,299**	**48,680,606**	**51,520,795**	47,128,092
Fund balances carried forward at 31 August 2022	12;13	**210,890**	**1,776,685**	**44,804,786**	**46,792,361**	51,520,795

Incoming resources arise from continuing operations.

The Charity had no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 16 to 28 form part of these financial statements.

Balance sheet
as at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	9	**38,426,122**	39,075,103
Current assets			
Debtors amounts falling due after more than one year	10	**5,430,000**	5,430,000
Debtors amounts falling due within one year	10	**404,102**	518,712
Cash at bank		**2,785,454**	6,562,377
Total current assets		**8,619,556**	12,511,089
Creditors: amounts falling due within one year	11	**(253,317)**	(65,397)
Net current assets		**8,366,239**	12,445,692
Net assets	12	**46,792,361**	51,520,795
Unrestricted	13	**210,890**	210,890
Restricted (Income)	13	**1,776,690**	2,629,304
Restricted (Capital)	13	**44,804,781**	48,680,601
Funds	13	**46,792,361**	51,520,795

These financial statements were approved and signed on 28 March 2023 by:

Dame Vivien Duffield
Chair

The notes on pages 16 to 28 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 Charity's financial statements.

Basis of preparation

The financial statements are prepared in accordance with the FRS102 applicable accounting standards and the Charities Act 2011. They have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments. The Charity has adopted the Statement of Recommended Practice "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). There are no material departures from FRS102.

The Charity meets the definition of a qualifying entity under FRS102 as the results of the Charity are consolidated into the ROHCGF's financial statements which are publicly available. In accordance with FRS 102 S1.12, the Charity has taken advantage of the exemptions in respect of the preparation of a cash flow statement and the disclosure of financial instruments.

The Charity was established by trust deed in the United Kingdom on 14 December 2001 and is a registered charity number 1089928. The charity is registered in England and its principal address is Royal Opera House, Covent Garden, London, WC2E 9DD.

Going Concern

The Trustees consider that the going concern assumption is an appropriate basis on which to prepare these financial statements. After considering the risks associated with the economic impact of the pandemic (as set out within the heading Going Concern on pages 4 to 5) the Trustees consider the Charity has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from the date of the approval of these financial statements. For this reason, the financial statements have been prepared on a going concern basis.

Public Benefit

The Charity delivers public benefit by making grants on an annual basis to Royal Opera House Covent Garden Foundation, ('ROHCGF' or 'the Royal Opera House'). The Charity is a public benefit entity under FRS102.

Significant judgements and key sources of estimation uncertainty

Management have exercised their judgement in determining that the fair value of the leased commercial units at the inception of the leasing arrangement amounts to the initial payments paid by the third party and the present value of rent receipts over the term of the lease and determining that the residual value of the leased units at the end of the lease term is negligible when discounted to present value. See Note 10 for carrying values for the current and prior periods.

Fixed asset investments

Investments are shown at fair value as at the balance sheet date. Realised and unrealised gains on investments are recognised in the statement of financial activities, and are treated as attributable to Restricted Capital funds. A breakdown of the level in the following fair value hierarchy into which the fair value measurements are categorised

is disclosed. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for asset or liability.

Finance leases
Finance leases are leases in which substantially all the risks and rewards of ownership, other than legal title, are transferred to the lessee. Assets acquired and held for use under finance leases are presented as a debtor at an amount equal to the net investment in the lease. Finance income is subsequently recognised at a constant periodic rate of return on that net investment. Contingent rentals arising under finance leases are recognised on receipt.

Fund accounting
Unrestricted funds may be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are to be used in accordance with the object of the Charity and specific restrictions placed by the donor.

Restricted funds have been further subdivided into restricted (capital) funds and restricted (income) funds. Restricted (capital) funds (also known as endowment funds) represent those assets that are required to be invested. These funds include both permanent restricted (capital) funds, where there is no power to convert the capital into income and the funds are required to be held permanently by the Charity, and expendable restricted (capital) funds where the trustees have the power to convert the capital into expendable income. Restricted (capital) funds are invested to produce income to meet expenditure, as directed by the terms of the endowment or by the terms of the Charity.

Restricted (income) funds are expendable at the discretion of the trustees on specific purposes as required by donors.

Functional Currency
The Charity operates primarily in the UK and the functional currency as well as the reporting currency is the pound sterling.

Income
Income is recognised only when it is probable that the economic benefits associated with the transaction will flow to the charity and the amount of the revenue can be measured reliably. Investment income is recognised on an accruals basis. Specifically, interest is recognised using the effective interest method and dividend income is recognised when the right to receive payment is established. Income from grants, donations and legacies is accounted for when the receipt is probable, there is evidence of entitlement and can be measured reliably. Entitlement is assessed using performance and time-restriction conditions.

Charitable expenditure
Expenditure is included on an accruals basis. Grants are recognised in the financial year in which the production or activity takes place.

Cash at bank and in hand
Cash at bank includes cash equivalents which are defined as short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

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 where receipt is not deferred beyond normal terms. Where receipt is deferred beyond normal terms, the debtor is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. In both instances, measurement is net of provision for doubtful debts.

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. Contracted commitments are not recorded as liabilities on the balance sheet, as the criteria for recognition have not been met. Commitments are disclosed in note 14.

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.

2 Donations and legacies

	Permanent endowment	**Expendable endowment**	**2022 Total**	Permanent endowment	Expendable endowment	2021 Total
	£	**£**	**£**	£	£	£
Legacies	**1,624,292**	**-**	**1,624,292**	1,899,916	-	1,899,916
Other donations	**173,449**	**-**	**173,449**	443	-	443
	1,797,741	**-**	**1,797,741**	1,900,359	-	1,900,359

Donations and legacies are directed to support and grow the capital in the Charity unless otherwise directed by the donor. The Trustees have declared a legal trust over these incoming resources to invest and hold these funds as restricted capital funds.

3 Investment income

	2022	2021
	£	£
Finance lease interest income	**270,202**	270,202
Dividend and interest income	**219,155**	441,720
	489,357	711,922

Dividend and interest income is earned on funds managed by the Investment Managers and interest on bank deposits held at Coutts and Co. Finance lease interest income and contingent rents are derived from leases for the retail units on the site of the Royal Opera House.

4 Grants

During the year the Charity made grants of £6,072,000 (*2021: £2,426,000*) to the Royal Opera House in support of the following productions/projects:

	Unrestricted (Income)	**Restricted (Income)**	**Restricted (Capital)** Permanent	**Restricted (Capital)** Expendable	**Restricted (Capital)** Total	**Total**
	£	£	£	£	£	**£**
Core work of artistic companies	246,587	-	-	430,413	430,413	**677,000**
Romeo and Juliet	-	3,790	-	166,210	166,210	**170,000**
Giselle	-	42,258	-	17,742	17,742	**60,000**
Education projects	-	-	3,774,000	418,000	4,192,000	**4,192,000**
Derek Butler Apprentices	-	-	-	140,000	140,000	**140,000**
Susan Olde	-	833,000	-	-	-	**833,000**
	246,587	**879,048**	**3,774,000**	**1,172,365**	**4,946,365**	**6,072,000**

5 Expenditure on raising donations and legacies

	2022	2021
	£	£
Marketing and publicity	**15,304**	3,883
Ground rent	**5,000**	5,000
	20,304	8,883

6 Gains and losses on revaluations and disposals of investments

	2022	2021
	£	£
Realised gains on disposal of investments	**35,233**	5,969,214
Unrealised loss on revaluation of other investments	**(683,009)**	(1,507,415)
	(647,776)	4,461,799

During the year there were losses on investments totalling £647,776 (*2021: £4,461,799 gain*). Of this £683,009 relates to unrealised losses primarily due to negative movements in the fair value of the investments held by Troy and Newton, and £35,233 relates to realised gains on the disposal of investments in Stonehage fund.

Realised gains on investments are classified as 'Restricted Capital' within the Statement of financial activities, as they were immediately reinvested within the investment portfolio and were not available to be utilised at the discretion of the trustees.

7 Trustees' remuneration

Trustees received no remuneration and were paid no expenses during the year (*2021: nil).* The Charity does not have any employees.

8 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Due to the high value of non-business and exempt activities, the Charity is unable to recover any tax on many of its purchases. All non-recoverable VAT is included within the appropriate expenditure headings.

9 Fixed asset investments

	2022	2021
	£	£
Held with investment managers:		
- Venture funds	**216,522**	301,473
- Quoted equities	**18,026,372**	18,377,608
- Hedge funds	**4,931**	219,536
- Bonds	**9,026,654**	9,118,687
- Cash funds	**7,516,427**	7,405,336
- Gold	**3,635,216**	3,652,463
Total investments with Investment Managers	**38,426,122**	39,075,103

The movements in investments held with investment managers were as follows:

	2022			2021		
	Listed investments	**Other investments**	**Total investments**	Listed investments	Other investments	Total investments
	£	**£**	**£**	£	£	£
Market value at beginning of the year	**38,466,326**	**608,777**	**39,075,103**	37,817,638	766,656	38,584,264
Additions (at cost)	**-**	**-**	**-**	-	-	-
Disposals (at opening market value)	**-**	**-**	**-**	(3,774,990)	(195,000)	(3,970,990)
Net realised and unrealised investment (loss) / gain	**(509,354)**	**(139,627)**	**(648,981)**	4,424,678	37,121	4,461,799
Market value at end of the year	**37,956,972**	**469,150**	**38,426,122**	38,466,326	608,777	39,075,103
Historical cost at end of the year	**34,675,688**	**761,414**	**35,437,102**	34,675,688	761,414	35,437,102

As at 31st August 2022 investments held with investment managers are measured at fair value, £38.2m (2021: £38.5m) categorised as Level 1 and £0.2m (2021: £0.5m) as Level 3.

Split of investments between those based in the UK and those that are based overseas:

			2022			2021
	UK	**Overseas**	**Total**	UK	Overseas	Total
	£	**£**	**£**	£	£	£
All Equities	**5,337,717**	**12,688,655**	**18,026,372**	5,487,696	12,889,912	18,377,608
Bonds	**3,573,830**	**5,452,824**	**9,026,654**	3,639,992	5,478,695	9,118,687
Alternative Investments*	**221,453**	**-**	**221,453**	521,009	-	521,009
Cash	**7,516,427**	**-**	**7,516,427**	7,405,336	-	7,405,336
Gold	**3,635,216**	-	**3,635,216**	3,652,463	-	3,652,463
	20,284,643	**18,141,479**	**38,426,122**	20,706,497	18,368,608	39,075,103

*Alternative investments include Hedge Funds, Commodities, Property, Special Situations LLPs, Infrastructure and Currency Options.

10 Debtors

	2022 £	2021 £
Debtors: amounts falling due after more than one year		
Finance lease rental income	**5,430,000**	5,430,000
	5,430,000	5,430,000
Debtors: amounts falling due within one year		
Finance lease rental income due within one year	**270,000**	270,000
Accrued income	**134,102**	248,712
	404,102	518,712

The 5% income interest in the leases of the retail units on the site of the Royal Opera House is accounted for as a finance lease debtor and therefore held at an historic valuation which in total is £5.7m. The property valuation undertaken by Gerald Eve LLP on 19 September 2019 deemed the fair value of this asset to be £12m.

	2022 £	2021 £
Gross investment in a finance lease at the end of the year	59,243,000	59,513,000
Unearned finance income for the year	(53,543,000)	(53,813,000)
Present value of minimum lease payments at the end of the year	**5,700,000**	5,700,000

The expected maturity of the gross investment in a lease and present value of the minimum lease payments receivable is as follows:

	Gross investment in a finance lease £	Present value of minimum lease payments £
Not later than one year	270,000	258,000
Later than one year and not later than five years	1,081,000	922,000
Later than five years	57,892,000	4,520,000
	59,243,000	**5,700,000**

The 5% interest in the leases of the retail units have been approved for sale by the Trustees of the Charity on 13 December 2022, to Capco for £12m, following a report, by Gerald Eve, required by the Charities Act. The sale completed on 28 February 2023. More details can be found in Note 18 Post Balance Sheet Events.

11 Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts owing to Royal Opera House Covent Garden Foundation	**8,700**	-
Amounts owing to ROH Holdings Limited	**10,000**	5,000
Deferred rental income	**19,499**	19,499
Other creditors	**215,118**	40,898
	253,317	65,397

	2022	2021
	£	£
Deferred income at beginning of year	**19,499**	19,499
Rental income received	**270,202**	270,202
Released to statement of financial activities	**(270,202)**	(270,202)
Deferred income at the end of year	**19,499**	19,499

12 Analysis of net assets between funds

	Investments	Cash at bank and in hand	Other net current assets	Total
	£	**£**	**£**	**£**
Unrestricted Funds	-	2,454,834	(2,243,944)	210,890
Restricted Income Fund	-	330,618	1,446,072	1,776,690
Restricted Capital Fund	38,426,122	-	6,378,659	44,804,781
At 31 August 2022	**38,426,122**	**2,785,452**	**5,580,787**	**46,792,361**

Analysis of net assets between funds (at 31 August 2021)

	Investments	Cash at bank and in hand	Other net current assets	Total
	£	**£**	**£**	**£**
Unrestricted Funds	-	2,476,694	(2,265,804)	210,890
Restricted Income Fund	-	4,085,683	(1,456,379)	2,629,304
Restricted Capital Fund	39,075,103	-	9,605,498	48,680,601
At 31 August 2021	**39,075,103**	**6,562,377**	**5,883,315**	**51,520,795**

13 Funds

	Unrestricted	Restricted (Income)					
	Main Endowment Fund	Jean Sainsbury Fund	Paul Hamlyn Fund	Franklin Fund	Derek Butler Trust Fund	Paul Ferguson Memorial Fund	Susan A. Olde OBE Music Director Fund
	£	£	£	£	£	£	£
At 1 September 2021	210,890	-	189,698	-	-	-	2,439,606
Incoming resources	401,147	29,064	147	-	5,115	53,885	-
Resources expended	(401,147)	(29,064)	-	(5)	-	(53,885)	(850,216)
Losses on revaluations & disposals of investments	-	-	-	-	-	-	(7,655)
At 31 August 2022	**210,890**	**-**	**189,845**	**(5)**	**5,115**	**-**	**1,581,735**

	Restricted (Capital)						Total
	Main Endowment Fund	Jean Sainsbury Fund	Paul Hamlyn Fund	Franklin Fund	Derek Butler Trust Fund	Paul Ferguson Memorial Fund	
	£	£	£	£	£	£	£
At 1 September 2021	27,684,773	3,637,229	14,188,399	551	851,510	2,318,139	**51,520,795**
Incoming resources	1,797,741	-	-	-	-	-	**2,287,099**
Resources expended	(430,414)	(166,210)	(4,271,414)	-	(147,662)	(17,742)	**(6,367,759)**
Losses on revaluations & disposals of investments	(340,374)	(80,566)	(117,583)	-	(11,489)	(90,107)	**(647,774)**
At 31 August 2022	**28,711,726**	**3,390,453**	**9,799,402**	**551**	**692,359**	**2,210,290**	**46,792,361**

Main Endowment Fund is the Trust Fund as defined in the Charity's Trust Deed.

The above disclosure demonstrates the source of the Charity's funds.

Restricted funds currently represent:

- The **Main Endowment Fund** is a permanent Endowment. This comprises the surplus on the Royal Opera House Development Appeal held in the form of cash and property assets, and subsequent donations and legacies.
- The **Jean Sainsbury Fund** was created from a transfer of funds from the Jean Sainsbury Royal Opera House Fund, which was wound up in March 2004. The annual grant, to be spent on grand opera or classical ballet, is in the name of the Jean Sainsbury Fund. The original transfer of funds to the Charity was made on the basis that the capital amount could be used to augment any annual grant to the Royal Opera House up to a total value of 5% of the value of the funds at the start of the year. This is an expendable endowment.

13 Funds Continued

- The **Paul Hamlyn Education Fund** is a separate fund comprising a donation received from the Paul Hamlyn Foundation. Income generated and capital, subject to certain restrictions, may be used to support the activities of the educational projects of the Royal Opera House. This is a permanent endowment. The funding agreement was amended 28 September 2022 to approve the payment of £3,774,000 to ROHCGF as an exceptional grant, being part of the income accumulated in the Paul Hamlyn Educational Fund.
- The **Franklin Fund** is a separate fund comprising a donation received from the late John Franklin. The income and capital from the Franklin Fund may be used to support the choreographic work at the Royal Opera House, and is therefore an expendable endowment.
- The **Derek Butler Apprenticeship Fund** is a separate fund created from a donation of £1.875m from the Derek Butler Trust to endow the Royal Opera House Apprenticeship Scheme. This is an expendable endowment to be spent over 10 years starting from September 2013.
- The **Paul Ferguson Memorial Fund** was established by the Peyton Trust as a permanent endowment which supports ballet.
- The **Susan A. Olde OBE Music Director Fund** is a separate fund created from a donation received from Susan A. Olde OBE to support the office of the Music Director. This is an expendable endowment to be spent over six seasons from 2017/18.

13 Funds Continued

Funds (as at 31 August 2021)

	Unrestricted	Restricted (Income)					
	Main Endowment Fund	Jean Sainsbury Fund	Paul Hamlyn Fund	Franklin Fund	Derek Butler Trust Fund	Paul Ferguson Memorial Fund	Susan A. Olde OBE Music Director Fund
	£	£	£	£	£	£	£
At 1 September 2020	526,524	-	189,698	-	-	-	2,984,471
Incoming resources	489,836	45,949	116,260	3	6,079	48,887	4,914
Resources expended	(805,470)	(45,949)	(116,260)	(3)	(6,079)	(48,887)	(835,688)
Gains on revaluations & disposals of investments	-	-	-	-	-	-	285,909
At 31 August 2021	**210,890**	**-**	**189,698**	**-**	**-**	**-**	**2,439,606**

	Restricted (Capital)						Total
	Main Endowment Fund	Jean Sainsbury Fund	Paul Hamlyn Fund	Franklin Fund	Derek Butler Trust Fund	Paul Ferguson Memorial Fund	
	£	£	£	£	£	£	£
At 1 September 2020	23,684,228	3,361,583	13,510,706	510	868,937	2,001,435	**47,128,092**
Incoming resources	1,900,359	-	-	(6)	-	-	**2,612,281**
Resources expended	-	(148,036)	(517,141)	-	(135,791)	(22,073)	**(2,681,377)**
Gains on revaluations & disposals of investments	2,100,186	423,682	1,194,834	47	118,364	338,777	**4,461,799**
At 31 August 2021	**27,684,773**	**3,637,229**	**14,188,399**	**551**	**851,510**	**2,318,139**	**51,520,795**

14 Commitments

The Charity has no capital commitments as at 31 August 2022 (2021: nil).

The Charity has commitments for future minimum lease payments under a non-cancellable operating lease as follows:

	2022	2021
	£	£
Not later than one year	5,000	5,000
Later than one year and not later than five years	20,000	20,000
Later than five years	1,071,235	1,076,235

The lease payments payable are guaranteed at the greater of a minimum annual amount of £5,000 throughout the life of the long lease (expiry in December 2241) and 0.5% of 5% of the rents collected in an associated lease, held by the Charity. However, at the balance sheet date, the trustees consider this potential increased lease payments receivable to be so remote that the guaranteed minimum annual payments is recognised on a straight line basis over the lease. £5,000 was recognised as an expense during the year ended 31 August 2022 (2021: £5,000).

15 Transactions with trustees, connected persons, connected Charities and other related parties

Connected Charities

(a) Royal Opera House Covent Garden Foundation – registered charity no. 211775 and registered company no. 480523
The principal activity of the ROHCGF is to promote and assist in the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, to raise the artistic taste of the country, and to procure and increase the appreciation and understanding of the musical art in all its forms. The power of appointing new trustees of the Charity is vested in the trustees who consult ROHCGF before any exercise of this power. The trustees ensure that three of the trustees are directors of ROHCGF only for so long as Sir Simon Robey remains a director of ROHCGF and otherwise no more than two of the trustees are directors ROHCGF and that no employee of ROHCGF is appointed a trustee.

Grants made to ROHCGF are disclosed in note 4.

(b) ROH Holdings Ltd – registered company no. 02580395
ROH Holdings Ltd is a holding company with one subsidiary, ROH Developments Limited, a property development company.

ROH Holdings Ltd charges the Charity for ground rent for the property lease held by the Charity which represents a 5% income interest in the leases for the retail units on the site of the Royal Opera House.

The ground rent charged by ROH Holdings Ltd to the Charity is disclosed in note 5 and the related operating lease commitments in note 14.

The future of this agreement is subject to change in the near future following the post balance sheet event disclosed in note 18.

(c) Royal Opera House Enterprises Limited – registered company no. 04112266
Royal Opera House Enterprises Limited is a subsidiary of ROHCGF and is an event, catering and video production company.

Amounts due to and from connected Charities are disclosed in the notes to these accounts. There were no other transactions with trustees, connected persons or connected charities during the year and trustees received no remuneration and were paid no expenses during the year (*2021: nil*).

16 Ultimate parent undertaking

The smallest and largest group into which the accounts of the Charity are consolidated is the ROHCGF, (Royal Opera House Covent Garden Foundation (Limited by guarantee), company number 480523, registered charity no. 211775 whose object it is to promote and assist in the advancement of education so far as such promotion and assistance shall be of a charitable

nature and in particular, to raise the artistic taste of the country, and to procure and increase the appreciation and understanding of the musical art in all its forms), the ultimate parent undertaking incorporated in the United Kingdom. ROHCGF exercises dominant influence over the Charity being both the power to govern and the ability to benefit from the Charity's activities. Three of the trustees are directors of ROHCGF only for so long as Sir Simon Robey remains a director of ROHCGF and otherwise no more than two of the Trustees are directors ROHCGF, all new trustees appointed must be done so in consultation with the ROHCGF and all grants are made to, or for the benefit of the ROHCGF. Its accounts are available to the public and may be obtained from The Royal Opera House, Covent Garden, London WC2E 9DD.

17 Statement of financial activities for the year ended 31 August 2021

	Note	Unrestricted £	Restricted (Income) £	Restricted (Capital) £	2021 Total £	2020 Total £
Income and endowments from:						
Donations and legacies	2	**-**	**-**	**1,900,359**	**1,900,359**	620,441
Investment	3	**489,836**	**222,086**	**-**	**711,922**	1,133,638
Total income		**489,836**	**222,086**	**1,900,359**	**2,612,281**	1,754,079
Expenditure on:						
Charitable activities						
Grants to Royal Opera House Covent Garden Foundation	4	**(677,000)**	**(925,958)**	**(823,042)**	**(2,426,000)**	(2,254,000)
Raising funds						
Raising donations and legacies	5	**(8,883)**	**-**	**-**	**(8,883)**	(18,482)
Investment managers' fees		**(119,587)**	**(126,907)**	**-**	**(246,494)**	(261,111)
Total expenditure		**(805,470)**	**(1,052,865)**	**(823,042)**	**(2,681,377)**	(2,533,593)
Net income/(expenditure) and movement in funds	6	**-**	**285,909**	**4,175,890**	**4,461,799**	(232,124)
Net income and movement in funds		**(315,634)**	**(544,870)**	**5,253,207**	**4,392,703**	(1,011,638)
Fund balances brought forward at 1 September 2020	12;13	**526,524**	**3,174,169**	**43,427,399**	**47,128,092**	48,139,730
Fund balances carried forward at 31 August 2021	12;13	**210,890**	**2,629,299**	**48,680,606**	**51,520,795**	47,128,092

18 Post Balance Sheet Event

In support of the Royal Opera House Covent Garden Foundation's Covid-19 recovery efforts the Trustees of the Charity approved the sale of the 5% income interest in the leases of 17 retail units on the site of the Royal Opera House, which are held at a historic value of £5.7m. The proposed sale of the leases, to Capco, would be for £12m, resulting in a net gain of £6.3m. At year-end legal terms were being discussed by both parties and the final sale value and approval were dependent on a report by Gerald Eve, as required by the Charities Act. The report was subsequently received in November 2022 and the final approval of the sale was approved by the Trustees of the Charity on 13 December 2022. The sale of the retail units completed on 28 February 2023. This sale is being treated as a non-adjusting post balance sheet event.

THE ROYAL OPERA HOUSE ENDOWMENT FUND 2000

England & Wales - Charity number 1089928

Accounts

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

ROYAL
OPERA
HOUSE

The Royal Opera House Endowment Fund 2000

Trustees' report and financial statements
Charity number 1089928
Year Ended 31 August 2021

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

Contents

Trustees' report 3
Statement of trustees' responsibilities 9
Independent auditor's report to the Trustees of the Royal Opera House Endowment Fund 2000 10
Statement of financial activities 14
Balance sheet 15
Notes 16

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

Trustees' report

The trustees present their report together with the audited accounts for the year ended 31 August 2021. These accounts and annual returns will be filed with the Charity Commission.

Reference and administrative details of the charity, its trustees and advisors

Charity Number	1089928
Principal Office	Royal Opera House, Covent Garden, London, WC2E 9DD
Auditors	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Bankers	Coutts and Co 440 Strand London WC2R 0QS
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Investment Managers	Stonehage Fleming Investment Management Limited 15 Suffolk Street London SW1Y 4HG Troy Asset Management Limited Brookfield House 33 Davies Street London W1K 4BP Newton Investment Management Limited BNY Mellon Centre 160 Queen Victoria Street London EC4V 4LA
Trustees	Dame Vivien Duffield (Chairman) (Royal Opera House Trustee) Tim Bunting (Royal Opera House Trustee) Hamish Forsyth (Independent Trustee) Sir Simon Robey (Deputy Chairman) (Royal Opera House Trustee) Peter Troughton CBE (Independent Trustee) Lady Gavron (appointed November 2021)
Secretary to the trustees	Leah Hurst (appointed October 2020)

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

Structure, governance and management

Governing document
The Royal Opera House Endowment Fund 2000, ('the Charity'), was established by trust deed on 14 December 2001 and is a registered charity number 1089928.

Appointment and training of trustees
The trustees who have served wholly or partly during the year are set out on the previous page. The appointment of new trustees is vested in the existing trustees who shall consult the Royal Opera House before any appointment. The trustees shall ensure that three of the Trustees are directors of Royal Opera House Covent Garden Foundation, ('ROHCGF' or 'the Royal Opera House') only for so long as Sir Simon Robey remains a director of ROHCGF, otherwise no more than two of the Trustees are directors ROHCGF, and that no employee of ROHCGF is appointed a trustee. There shall be not less than five nor more than eight trustees of the Charity.

Trustees hold office for an initial term not exceeding three years and are eligible for reappointment for further terms not exceeding three years but may resign as trustee before the expiry of any term by notice in writing to the trustees.

The trustees appoint one of their number as the chairman of the trustees.

New trustees undergo an induction session with the secretary to the trustees to brief them on their obligations under charity law, the content of the trust deed, and the conduct of trustee meetings.

Organisation
The direction and control of the Charity is determined by the trustees, who meet at least twice a year. As set out in the Charity SORP, the trustees are the key management personnel with oversight of the management and activities of the Charity. They receive no compensation. Day to day management and administration of the Charity is delegated to Alex Beard (Chief Executive Officer of the Royal Opera House), who attends the trustee meetings.

Connected charities and companies
ROHCGF ('the Royal Opera House') – registered charity no. 211775. The Charity holds investments and generates income to grant to the ROHCGF. The principal activity of the ROHCGF is the presentation of opera and ballet performances at the Royal Opera House and tours in the United Kingdom and overseas. The power of appointing new trustees of the Charity is vested in the trustees who consult ROHCGF before any exercise of this power. The trustees ensure that three of the Trustees are directors of ROHCGF only for so long as Sir Simon Robey remains a director of ROHCGF and otherwise no more than two of the Trustees are directors ROHCGF and that no employee of ROHCGF is appointed a trustee. There shall be not less than five nor more than eight trustees of the Charity.

ROH Holdings Ltd – registered company no. 02580395. This is a holding company with one subsidiary, ROH Developments Limited, a property development company.

Royal Opera House Enterprises Limited – registered company no. 04112266. This is a subsidiary of ROHCGF.

Going Concern
The Trustees must satisfy themselves as to the Charity's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Trustees continue to work closely with the investment managers to ensure funds are invested as

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

effectively as possible to minimise exposure to risk during this uncertain time. As the Charity holds endowments and other funds of £51.5m, the Trustees feel there is little risk of the Charity not being able to continue in operational existence for the foreseeable future and for this reason the financial statements have been prepared on a going concern basis.

Risk Management

The trustees have examined the major strategic and operational risks that face the Charity and are satisfied there are systems in place to mitigate identified risks. The trustees have received assurances from the Audit & Risk Committee of ROHCGF of the effectiveness of the internal controls. The main risks identified relate to the Covid-19 pandemic and the state of the UK economy, which have a direct impact on investment values and fundraising generally. The performance of investments is key to creating income that can be granted to the ROHCGF in the furtherance of its charitable objects. The trustees manage this risk by regularly meeting with the Investment Managers and by scrutinising regular updates and presentations from the Investment Managers to understand the risk profile of the investments. Annually, the trustees review the risk register for the Charity.

Objects and activities

The objects of the Charity are to promote the education of the public in the arts of opera and ballet by making grants to, or for the benefit of, the Royal Opera House. The Charity does this by seeking to increase its capital base by actively marketing the Charity as a recipient of legacy income and other gifts. The Charity also generates capital growth and income in order to make grants to the Royal Opera House.

The ROHCGF aims to enrich people's lives through opera and ballet. Home to two of the world's great artistic companies – The Royal Opera and The Royal Ballet, performing with the Orchestra of the Royal Opera House – it seeks to be accessible to audiences across the UK and to break new ground in the presentation of lyric theatre.

Despite a significant number of cancellations and postponed productions due to the pandemic, the Royal Opera House delivered 48 live performances to socially distanced audiences. The pandemic shifted focus onto remote audiences with 223,000 views of 15 live ballet and opera streamed performances and 23 archive productions on pay-per-view, as well as 1m YouTube followers worldwide. In addition, there were 80,000 views of the Create and Learn Home Programme and 1,400 teachers were supported through the learning platform and its National Programmes.

The Royal Opera House's achievements, supported by the Charity, are detailed in the Royal Opera House Trustees' report and financial statements for 2020/21.

Public Benefit

The Charity delivers public benefit by making grants each year to the Royal Opera House. The Trustees of the Royal Opera House refer to the Charity Commission's general guidance on public benefit when shaping and reviewing the ROHCGF charity's aims, objects and future strategies. In setting the level of ticket prices, charges and concessions, and in developing digital and broadcast distribution, the Royal Opera House Trustees give careful consideration to the accessibility of the Royal Opera House to those on low incomes. This is addressed through maintaining a wide range of ticket prices, as well as through several ticket subsidy schemes, free events, cinema, live streaming, digital and broadcast activity and an extensive learning and participation programme.

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

Grant making policy

The Charity comprises a number of separate funds. It determines the funding of projects which accord with their objects and which benefit the Royal Opera House. Each fund has a specific purpose:

- **Jean Sainsbury Fund** may be used for the support of grand opera and classical ballet. The original transfer of funds to the Charity was made on the basis that the capital amount could be used to augment any annual grant to the Royal Opera House up to a total value of 5% of the value of the funds at the start of the year;
- **Paul Hamlyn Education Fund** may be used to support the activities of the educational projects of the Royal Opera House. Applications are considered against the objects of the fund and the most suitable projects chosen in consultation with the Paul Hamlyn Foundation;
- **Franklin Fund** is used to support choreographic work at the Royal Opera House;
- **Derek Butler Apprenticeship Fund** is to be used to support the training of apprentices at the Royal Opera House. It is to be used over ten years from 2013;
- **Paul Ferguson Memorial Fund** may be used to support ballet;
- **Susan A. Olde OBE Music Director Fund** is to be used to support the office of the Music Director. It is to be used over six seasons from 2017/18;
- **Main Endowment Fund** Unrestricted funds may be used in accordance with the charitable objects at the discretion of the trustees. The restricted funds may also be used in accordance with the object of the Charity, specifically relating to grants out of capital. This object requires that the trustees (acting unanimously) have a clear policy for restoring any grant out of capital within a period of five years or in exceptional circumstances a period not exceeding ten years.

Achievements and performance

During the year the Charity made grants of £2,426,000 (*Year ended 31 August 2020: £2,254,000*) to the Royal Opera House. The grants made were as follows:

Productions £907,000:

- **Main Endowment Fund** – £677,000 of which £100,000 goes to support *The Nutcracker* and the remainder to the core work of the artistic companies.
- **Jean Sainsbury Fund** - £170,000 to support *The Nutcracker;*
- **Paul Ferguson Memorial Fund** - £60,000 to support *The Royal Ballet: Live.*

Education and Apprenticeships £686,000:

- **Paul Hamlyn Education Fund** - £546,000 to support a variety of learning and access projects;
- **Derek Butler Apprenticeship Fund** - £140,000 to support the Apprenticeship Scheme.

Other £833,000:

- **Susan A. Olde OBE Music Director Fund** - £833,000 to support the office of the Music Director.

The investment managers, Stonehage Fleming Investment Management Limited, Troy Asset Management Limited and Newton Investment Management Limited, achieved a combined capital growth and income return net of investment management fees of 11.99% for the year ended 31 August 2021 (*Year ended 31 August 2020 0.79%).* The return for 2021 exceeded the blended target of CPI plus 3.5% (5.5%). Investments with Stonehage Fleming which are long term in nature are being progressively wound down.

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

Financial review

Grants totalling £2,426,000 (*Year ended 31 August 2020 £2,254,000*) were made to the ROHCGF in furtherance of the Charity's objects. Other resources expended related primarily to the management of investments, and the marketing of the Charity as a beneficiary of legacy income for the benefit of the Royal Opera House. The investment managers' fees were £246,494 (*Year ended 31 August 2020 £261,111*).

The total funds at 31 August 2021 were £51.5m (*Year ended 31 August 2020 £47.1m*). The net increase in funds for the year as set out in the statement of financial activities was £4,392,703 (*Year ended 31 August 2020: decrease of £1,011,638*), comprising net outgoing resources of £69,096 and net realised and unrealised gains of £4,461,799 on investments held with investment managers. Funds held with investment managers at the end of the year were £39,075,103 (*2020: £38,584,294*) including cash holdings with investment managers of £7,405,336 (*2020: £7,170,929*) disclosed under Fixed Assets. Additional cash balances at the bank at the end of the year were £6,562,377 (2020: £2,797,495).

Investment powers and policy

There are no restrictions on the investment powers of the trustees. The trustees are permitted to invest and reinvest the trust fund, providing the objects and purposes of the Charity are met, and subject to such consents as may be required by law.

Investment Policy

The Trustees reviewed and agreed an Investment Policy in line with the Charities Commission Guidance CC14. A summary of the key investment objects are as follows:

- Generate investment income to support the grant income available to support the ROHCGF; and
- Deliver capital growth to maintain the real value of investments for future years.

To achieve the above objects the trustees have set the investment benchmark of a total blended return of CPI +3.5% on a rolling basis.

ROHCGF is focused on managing investments in line with the broader environmental, social and governance (ESG) strategy, and over time, the Trustees are fully committed to ensure their funds reflect the ESG position of the ROHCGF. During the year the trustees moved funds held with Troy Asset Management Limited to their Trojan Ethical Fund.

Reserves policy

The trustees have reviewed the free reserves (comprising unrestricted net current assets) of the Charity which are £210,890 at 31 August 2021 (*31 August 2020: £526,524*). Free reserves are intended to give the Charity financial flexibility and a buffer against operational risks. Having considered the Charity's commitments with regard to the sensitivity of investment returns in the economic climate, the trustees have considered the level of free reserves and believe total reserves are at an appropriate level at the year ended 31 August 2021. The aim has been to build up free reserves to ensure that grants can be made to the Royal Opera House in future years even if investment income underperforms.

Trustees and trustees' interests

No Trustee received any remuneration for his or her services or was reimbursed for out of pocket expenses, nor was the Charity involved with any contracts or transactions in which any trustee had a material interest.

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

Plans for future periods

The Charity seeks to increase its capital base by actively marketing the Charity as the recipient of legacy and philanthropic income pledged in support of the Royal Opera House and by achieving capital growth and income return in line with or in excess of investment objects. Grant applications will continue to be considered for the funding of projects which benefit the Royal Opera House which are consistent with the Charity Commission's guidelines on public benefit.

In consideration of the impact of Covid-19 on ROHCGF, the Trustees agreed to a variation in the terms of the funding agreement with The Paul Hamlyn Foundation concerning accumulated income. A de-restriction of £3,774,000 of funds was agreed and signed in September 2021, with those funds being paid to ROHCGF as part of its Recovery Plan.

Auditors

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself / herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

On behalf of the trustees

Dame Vivien Duffield
Trustee
Approved on 28 March 2022 and signed on 29 March 2022

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

Independent auditor's report to the trustees of Royal Opera House Endowment Fund 2000

Opinion

We have audited the financial statements of Royal Opera House Endowment Fund 2000 (the 'charity') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, the Balance Sheet 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 charity's affairs as at 31 August 2021 and of its incoming resources and application of resources for the year 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under that Act. 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 charity 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the trustees and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the charity's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the charity's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a charity associated with these particular events.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the charity to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the charity's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and Financial Statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

In preparing the financial statements, the trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and the sector in which it operates. We determined that the following laws and regulations were most significant: the Charities SORP (FRS 102), The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), the Charities Act 2011 and the Data Protection Act 2018.
- We understood how the charity is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, and through our legal and professional expenses review.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
  - Challenging assumptions and judgments made by management in its significant accounting policies
  - Identifying and testing journal entries
  - Identifying and testing related party transactions
  - Inspecting the board minutes

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
  - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of income.
- We did not identify any matters relating to non-compliance with laws and regulation and fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The charity's operations, including the nature of its revenue sources, to understand the classes of transactions, accounts balances, expected financial statement disclosures and business risks that may result in risks of material misstatement, and
  - The charity's control environment, including:
    - Management's knowledge of relevant laws and regulations and how the charitable company is complying with those laws and regulations
    - The adequacy of procedures for authorisation of transactions and review of management accounts, and
    - Procedures to ensure that possible breaches of laws and regulations are appropriately resolved

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield

29 March 2022

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

Statement of financial activities for the year ended 31 August 2021

	Note	Unrestricted £	Restricted (Income) £	Restricted (Capital) £	2021 Total £	2020 Total £
Income and endowments from:						
Donations and legacies	2	**-**	**-**	**1,900,359**	**1,900,359**	620,441
Investment	3	**489,836**	**222,086**	**-**	**711,922**	1,133,638
Total income		**489,836**	**222,086**	**1,900,359**	**2,612,281**	1,754,079
Expenditure on:						
Charitable activities						
Grants to Royal Opera House Covent Garden Foundation	4	**(677,000)**	**(925,958)**	**(823,042)**	**(2,426,000)**	(2,254,000)
Raising funds						
Raising donations and legacies	5	**(8,883)**	**-**	**-**	**(8,883)**	(18,482)
Investment managers' fees		**(119,587)**	**(126,907)**	**-**	**(246,494)**	(261,111)
Total expenditure		**(805,470)**	**(1,052,865)**	**(823,042)**	**(2,681,377)**	(2,533,593)
Net gains on investments	6	**-**	**285,909**	**4,175,890**	**4,461,799**	(232,124)
Net income and movement in funds		**(315,634)**	**(544,870)**	**5,253,207**	**4,392,703**	(1,011,638)
Fund balances brought forward at 1 September 2020	12;13	**526,524**	**3,174,169**	**43,427,399**	**47,128,092**	48,139,730
Fund balances carried forward at 31 August 2021	12;13	**210,890**	**2,629,299**	**48,680,606**	**51,520,795**	47,128,092

Incoming resources arise from continuing operations.

The Charity had no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 16 to 28 form part of these financial statements.

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

Balance sheet
as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	*9*	**39,075,103**	38,584,294
Current assets			
Debtors amounts falling due after more than one year	*10*	**5,430,000**	5,430,000
Debtors amounts falling due within one year	*10*	**518,712**	417,776
Cash at bank		**6,562,377**	2,797,495
Total current assets		**12,511,089**	8,645,271
Creditors: amounts falling due within one year	*11*	**(65,397)**	(101,473)
Net current assets		**12,445,692**	8,543,798
Net assets		**51,520,795**	47,128,092
Unrestricted	*12*	**210,890**	526,524
Restricted (Income)	*12*	**2,629,304**	3,174,169
Restricted (Capital)	*12*	**48,680,601**	43,427,399
Funds	*12;13*	**51,520,795**	47,128,092

These financial statements were approved on 28 March 2022 and signed on 29 March 2022 by:

Dame Vivien Duffield
Trustee

The notes on pages 16 to 28 form part of these financial statements.

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

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 Charity's financial statements.

Basis of preparation

The financial statements are prepared in accordance with the FRS102 applicable accounting standards and the Charities Act 2011. They have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments. The Charity has adopted the Statement of Recommended Practice "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). There are no material departures from FRS102.

The Charity meets the definition of a qualifying entity under FRS102 as the results of the Charity are consolidated into the ROHCGF's financial statements which are publicly available. In accordance with FRS 102 S1.12, the Charity has taken advantage of the exemptions in respect of the preparation of a cash flow statement and the disclosure of financial instruments.

The Charity was established by trust deed in the United Kingdom on 14 December 2001 and is a registered charity number 1089928. The charity is registered in England and its principal address is Royal Opera House, Covent Garden, London, WC2E 9DD.

Going Concern

The Trustees consider that the going concern assumption is an appropriate basis on which to prepare these financial statements. After considering the risks associated with the economic impact of the pandemic (as set out within the heading Going Concern on pages 4 to 5) the Trustees consider the Charity has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from the date of the approval of these financial statements. For this reason, the financial statements have been prepared on a going concern basis.

Public Benefit

The Charity delivers public benefit by making grants on an annual basis to Royal Opera House Covent Garden Foundation, ('ROHCGF' or 'the Royal Opera House'). The Charity is a public benefit entity under FRS102.

Significant judgements and key sources of estimation uncertainty

Management have exercised their judgement in determining that the fair value of the leased commercial units at the inception of the leasing arrangement amounts to the initial payments paid by the third party and the present value of rent receipts over the term of the lease and determining that the residual value of the leased units at the end of the lease term is negligible when discounted to present value. See Note 10 for carrying values for the current and prior periods.

Fixed asset investments

Investments are shown at fair value as at the balance sheet date. Realised and unrealised gains on investments are recognised in the statement of financial activities, and are treated as attributable to Restricted Capital funds. A

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

breakdown of the level in the following fair value hierarchy into which the fair value measurements are categorised is disclosed. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for asset or liability.

Finance leases

Finance leases are leases in which substantially all the risks and rewards of ownership, other than legal title, are transferred to the lessee. Assets acquired and held for use under finance leases are presented as a debtor at an amount equal to the net investment in the lease. Finance income is subsequently recognised at a constant periodic rate of return on that net investment. Contingent rentals arising under finance leases are recognised on receipt.

Fund accounting

Unrestricted funds may be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are to be used in accordance with the object of the Charity and specific restrictions placed by the donor.

Restricted funds have been further subdivided into restricted (capital) funds and restricted (income) funds. Restricted (capital) funds (also known as endowment funds) represent those assets that are required to be invested. These funds include both permanent restricted (capital) funds, where there is no power to convert the capital into income and the funds are required to be held permanently by the Charity, and expendable restricted (capital) funds where the trustees have the power to convert the capital into expendable income. Restricted (capital) funds are invested to produce income to meet expenditure, as directed by the terms of the endowment or by the terms of the Charity.

Restricted (income) funds are expendable at the discretion of the trustees on specific purposes as required by donors.

Functional Currency

The Charity operates primarily in the UK and the functional currency as well as the reporting currency is the pound sterling.

Income

Income is recognised only when it is probable that the economic benefits associated with the transaction will flow to the charity and the amount of the revenue can be measured reliably. Investment income is recognised on an accruals basis. Specifically, interest is recognised using the effective interest method and dividend income is

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

recognised when the right to receive payment is established. Income from grants, donations and legacies is accounted for when the receipt is probable, there is evidence of entitlement and can be measured reliably. Entitlement is assessed using performance and time-restriction conditions.

Charitable expenditure
Expenditure is included on an accruals basis. Grants are recognised in the financial year in which the production or activity takes place.

Cash at bank and in hand
Cash at bank includes cash equivalents which are defined as short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

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 where receipt is not deferred beyond normal terms. Where receipt is deferred beyond normal terms, the debtor is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. In both instances, measurement is net of provision for doubtful debts.

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. Contracted commitments are not recorded as liabilities on the balance sheet, as the criteria for recognition have not been met. Commitments are disclosed in note 14.

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.

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

2 Donations and legacies

	Permanent endowment	Expendable endowment	2021 Total	Permanent endowment	Expendable endowment	2020 Total
	£	£	£			£
Legacies	**1,899,916**	-	**1,899,916**	619,781	-	619,781
Other donations	**443**	-	**443**	660	-	660
	1,900,359	-	**1,900,359**	620,441	-	620,441

Donations and legacies are directed to support and grow the capital in the Charity unless otherwise directed by the donor. The Trustees have declared a legal trust over these incoming resources to invest and hold these funds as restricted capital funds.

3 Investment income

	2021 £	2020 £
Finance lease interest income	**270,202**	270,202
Contingent rents	**-**	52,972
Dividend and interest income	**441,720**	810,464
	711,922	1,133,638

Dividend and interest income is earned on funds managed by the Investment Managers and interest on bank deposits held at Coutts and Co. Finance lease interest income and contingent rents are derived from leases for the retail units on the site of the Royal Opera House.

4 Grants

During the year the Charity made grants of £2,426,000 (*2020: £2,254,000*) to the Royal Opera House in support of the following productions/projects:

	Unrestricted (Income)	Restricted (Income)	Restricted (Capital) Permanent	Restricted (Capital) Expendable	Restricted (Capital) Total	Total
	£	£	£	£	£	£
Core work of artistic companies	577,000	-	-	-	-	**577,000**
The Nutcracker	100,000	21,963	-	148,037	148,037	**270,000**
The Royal Ballet: Live	-	37,927	-	22,073	22,073	**60,000**
Education projects	-	28,859	-	517,141	517,141	**546,000**
Derek Butler Apprentices	-	4,209	-	135,791	135,791	**140,000**
Susan Olde	-	833,000	-	-	-	**833,000**
	677,000	**925,958**	-	**823,042**	**823,042**	**2,426,000**

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

5 Expenditure on raising donations and legacies

	2021	2020
	£	£
Marketing and publicity	3,883	13,482
Ground rent	5,000	5,000
	8,883	18,482

Gains and losses on revaluations and disposals of investments

	2021	2020
	£	£
Realised gains on disposal of investments	5,969,214	1,758,513
Unrealised loss on revaluation of other investments	(1,507,415)	(1,990,637)
	4,461,799	(232,124)

During the year there were gains on investments totalling £4,461,799 (*2020: £232,124 loss*). Of this £1,507,415 relates to unrealised losses primarily due to negative movements in the fair value of the investments held by Troy and Newton, and £5,969,214 relates to realised gains mainly on the disposal of investments transferring funds from the Trojan Fund to the Trojan Ethical Fund.

Realised gains on investments are classified as 'Restricted Capital' within the Statement of financial activities, as they were immediately reinvested within the investment portfolio and were not available to be utilised at the discretion of the trustees.

6 Trustees' remuneration

Trustees received no remuneration and were paid no expenses during the year (*2020: nil).* The Charity does not have any employees.

7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Due to the high value of non-business and exempt activities, the Charity is unable to recover any tax on many of its purchases. All non-recoverable VAT is included within the appropriate expenditure headings.

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

8 Fixed asset investments

	2021	2020
	£	£
Held with investment managers:		
- Venture funds	**301,473**	357,844
- Quoted equities	**18,377,608**	18,381,626
- Hedge funds	**219,536**	290,958
- Bonds	**9,118,687**	8,882,125
- Cash funds	**7,405,336**	7,170,929
- Gold	**3,652,463**	3,500,812
Total investments with Investment Managers	**39,075,103**	38,584,294

The movements in investments held with investment managers were as follows:

	2021			2020		
	Listed investments	Other investments	Total investments	Listed investments	Other investments	Total investments
	£	£	£	£	£	£
Market value at beginning of the period	**37,817,638**	**766,656**	**38,584,294**	38,009,188	1,139,902	39,149,090
Additions (at cost)	**-**	**-**	**-**	1,997,328	-	1,997,328
Disposals (at opening market value)	**(3,775,990)**	**(195,000)**	**(3,970,990)**	(1,980,000)	(350,000)	(2,330,000)
Net realised and unrealised investment gains	**4,424,678**	**37,121**	**4,461,799**	(208,878)	(23,246)	(232,124)
Market value at end of the period	**38,466,326**	**608,777**	**39,075,103**	37,817,638	766,656	38,584,294
Historical cost at end of the period	**34,675,688**	**761,414**	**35,437,102**	32,568,997	761,414	33,330,411

As at 31st August 2021 investments held with investment managers are measured at fair value, £38.5m (2020: £37.9m) categorised as Level 1 and £0.5m (2020: £0.6m) as Level 3.

Split of investments between those based in the UK and those that are based overseas:

	2021			2020		
	UK	Overseas	Total	UK	Overseas	Total
	£	£	£	£	£	£
All Equities	**5,487,696**	**12,889,912**	**18,377,608**	5,619,701	12,761,925	18,381,626
Bonds	**3,639,992**	**5,478,695**	**9,118,687**	3,630,907	5,251,218	8,882,125
Alternative Investments*	**521,009**	-	**521,009**	648,802	-	648,802
Cash	**7,405,336**	-	**7,405,336**	7,170,929	-	7,170,929
Gold	**3,652,463**	-	**3,652,463**	3,500,812	-	3,500,812
	20,706,496	**18,368,607**	**39,075,103**	20,571,152	18,013,144	38,584,294

*Alternative investments include Hedge Funds, Commodities, Property, Special Situations LLPs, Infrastructure and Currency Options.

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

9 Debtors

	2021 £	2020 £
Debtors: amounts falling due after more than one year		
Finance lease rental income	**5,430,000**	5,430,000
	5,430,000	5,430,000
Debtors: amounts falling due within one year		
Finance lease rental income due within one year	**270,000**	322,972
Investment income receivable	**-**	94,804
Accrued income	**248,712**	-
	518,712	417,776

The 5% income interest in the leases of the retail units on the site of the Royal Opera House is accounted for as a finance lease debtor and therefore held at an historic valuation which in total is £5.7m. The property valuation undertaken by Gerald Eve LLP on 19 September 2019 deemed the fair value of this asset to be £12m.

	2021 £	2020 £
Gross investment in a finance lease at the end of the period	59,513,000	59,782,000
Unearned finance income for the period	(53,813,000)	(54,082,000)
Present value of minimum lease payments at the end of the period	**5,700,000**	5,700,000

The expected maturity of the gross investment in a lease and present value of the minimum lease payments receivable is as follows:

	Gross investment in a finance lease £	Present value of minimum lease payments £
Not later than one year	270,000	258,000
Later than one year and not later than five years	1,081,000	922,000
Later than five years	58,162,000	4,520,000
	59,513,000	**5,700,000**

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

10 Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts owing to Royal Opera House Covent Garden Foundation	-	63,464
Amounts owing to ROH Holdings Limited	**5,000**	5,000
Deferred rental income	**19,499**	19,499
Other creditors	**40,898**	13,510
	65,397	101,473

11 Analysis of net assets between funds

	Investments	Cash at bank and in hand	Other net current assets	Total
	£	£	£	£
Unrestricted Funds	-	2,476,694	(2,265,804)	210,890
Restricted Income Fund	-	4,085,683	(1,456,379)	2,629,304
Restricted Capital Fund	39,075,103	-	9,605,498	48,680,601
At 31 August 2021	**39,075,103**	**6,562,377**	**5,883,315**	**51,520,795**

Analysis of net assets between funds (at 31 August 2020)

	Investments	Cash at bank and in hand	Other net current assets	Total
	£	£	£	£
Unrestricted Funds	-	1,768,437	(1,241,913)	526,524
Restricted Income Fund	-	1,029,058	2,145,111	3,174,169
Restricted Capital Fund	38,584,294	-	4,843,105	43,427,399
At 31 August 2020	**38,584,294**	**2,797,495**	**5,746,303**	**47,128,092**

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

12 Funds

	Unrestricted	Restricted (Income)					
	Main Endowment Fund	Jean Sainsbury Fund	Paul Hamlyn Fund	Franklin Fund	Derek Butler Trust Fund	Paul Ferguson Memorial Fund	Susan A. Olde OBE Music Director Fund
	£	£	£	£	£	£	£
At 1 September 2020	526,524	-	189,698	-	-	-	2,984,471
Incoming resources	489,836	45,949	116,260	3	6,079	48,887	4,914
Resources expended	(805,470)	(45,949)	(116,260)	(3)	(6,079)	(48,887)	(835,688)
Gains on revaluations & disposals of investments	-	-	-	-	-	-	285,909
At 31 August 2021	**210,890**	**-**	**189,698**	**-**	**-**	**-**	**2,439,606**

	Restricted (Capital)						Total
	Main Endowment Fund	Jean Sainsbury Fund	Paul Hamlyn Fund	Franklin Fund	Derek Butler Trust Fund	Paul Ferguson Memorial Fund	
	£	£	£	£	£	£	£
At 1 September 2020	23,684,228	3,361,583	13,510,706	510	868,937	2,001,435	**47,128,092**
Incoming resources	1,900,359	-	-	(6)	-	-	**2,612,281**
Resources expended	-	(148,036)	(517,141)	-	(135,791)	(22,073)	**(2,681,377)**
Gains on revaluations & disposals of investments	2,100,186	423,682	1,194,834	47	118,364	338,777	**4,461,799**
At 31 August 2021	**27,684,773**	**3,637,229**	**14,188,399**	**551**	**851,510**	**2,318,139**	**51,520,795**

Main Endowment Fund is the Trust Fund as defined in the Charity's Trust Deed.

The above disclosure demonstrates the source of the Charity's funds.

Restricted funds currently represent:

- The **Main Endowment Fund** is a permanent Endowment. This comprises the surplus on the Royal Opera House Development Appeal held in the form of cash and property assets, and subsequent donations and legacies.
- The **Jean Sainsbury Fund** was created from a transfer of funds from the Jean Sainsbury Royal Opera House Fund, which was wound up in March 2004. The annual grant, to be spent on grand opera or classical ballet, is in the name of the Jean Sainsbury Fund. The original transfer of funds to the Charity was made on the basis that the capital amount could be used to augment any annual grant to the Royal Opera House up to a total value of 5% of the value of the funds at the start of the year. This is an expendable endowment.

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

- The **Paul Hamlyn Education Fund** is a separate fund comprising a donation received from the Paul Hamlyn Foundation. Income generated and capital, subject to certain restrictions, may be used to support the activities of the educational projects of the Royal Opera House. This is a permanent endowment. The funding agreement was amended 28 September 2021 to approve the payment of £3,774,000 to ROHCGF as an exceptional grant, being part of the income accumulated in the Paul Hamlyn Educational Fund.
- The **Franklin Fund** is a separate fund comprising a donation received from the late John Franklin. The income and capital from the Franklin Fund may be used to support the choreographic work at the Royal Opera House, and is therefore an expendable endowment.
- The **Derek Butler Apprenticeship Fund** is a separate fund created from a donation of £1.875m from the Derek Butler Trust to endow the Royal Opera House Apprenticeship Scheme. This is an expendable endowment to be spent over 10 years starting from September 2013.
- The **Paul Ferguson Memorial Fund** was established by the Peyton Trust as a permanent endowment which supports ballet.
- The **Susan A. Olde OBE Music Director Fund** is a separate fund created from a donation received from Susan A. Olde OBE to support the office of the Music Director. This is an expendable endowment to be spent over six seasons from 2017/18.

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

Funds (as at 31 August 2020)

	Unrestricted	Restricted (Income)					
	Main Endowment Fund	Jean Sainsbury Fund	Paul Hamlyn Fund	Franklin Fund	Derek Butler Trust Fund	Paul Ferguson Memorial Fund	Susan A. Olde OBE Music Director Fund
	£	£	£	£	£	£	£
At 1 September 2019	657,432	-	189,698	-	-	-	3,645,114
Incoming resources	670,437	73,139	275,879	1	19,970	57,788	36,405
Resources expended	(801,345)	(73,139)	(275,879)	(1)	(19,970)	(57,788)	(852,961)
Gains on revaluations & disposals of investments	-	-	-	-	-	-	155,913
At 31 August 2020	**526,524**	-	**189,698**	-	-	-	**2,984,471**

	Restricted (Capital)						Total
	Main Endowment Fund	Jean Sainsbury Fund	Paul Hamlyn Fund	Franklin Fund	Derek Butler Trust Fund	Paul Ferguson Memorial Fund	
	£	£	£	£	£	£	£
At 1 September 2019	23,200,846	3,524,423	13,760,559	561	1,026,885	2,134,212	**48,139,730**
Incoming resources	620,441	-	-	19	-	-	**1,754,079**
Resources expended	-	(119,857)	(161,818)	-	(156,883)	(13,952)	**(2,533,593)**
Gains on revaluations & disposals of investments	(137,059)	(42,983)	(88,035)	(70)	(1,065)	(118,825)	**(232,124)**
At 31 August 2020	**23,684,228**	**3,361,583**	**13,510,706**	**510**	**868,937**	**2,001,435**	**47,128,092**

14 Commitments

The Charity has no capital commitments as at 31 August 2021 (2020: nil).

The Charity has commitments for future minimum lease payments under a non-cancellable operating lease as follows:

The future minimum lease payments under the non-cancellable operating lease is as follows:	**2021**	2020
	£	£
Not later than one year	5,000	5,000
Later than one year and not later than five years	20,000	20,000
Later than five years	1,076,235	1,081,235

The lease payments payable are guaranteed at the greater of a minimum annual amount of £5,000 throughout the life of the long lease (expiry in December 2241) and 0.5% of 5% of the rents collected in an associated lease, held by the Charity. However, at the balance sheet date, the trustees consider this potential increased lease payments receivable to be so remote that

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

the guaranteed minimum annual payments is recognised on a straight line basis over the lease. £5,000 was recognised as an expense during the year ended 31 August 2021 (2020: £5,000).

15 Transactions with trustees, connected persons, connected Charities and other related parties

Connected Charities

(a) Royal Opera House Covent Garden Foundation – registered charity no. 211775 and registered company no. 480523
The principal activity of the ROHCGF is to promote and assist in the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, to raise the artistic taste of the country, and to procure and increase the appreciation and understanding of the musical art in all its forms. The power of appointing new trustees of the Charity is vested in the trustees who consult ROHCGF before any exercise of this power. The trustees ensure that three of the trustees are directors of ROHCGF only for so long as Sir Simon Robey remains a director of ROHCGF and otherwise no more than two of the trustees are directors ROHCGF and that no employee of ROHCGF is appointed a trustee.

Grants made to ROHCGF are disclosed in note 4.

(b) ROH Holdings Ltd – registered company no. 02580395
ROH Holdings Ltd is a holding company with one subsidiary, ROH Developments Limited, a property development company.

ROH Holdings Ltd charges the Charity for ground rent for the property lease held by the Charity which represents a 5% income interest in the leases for the retail units on the site of the Royal Opera House.

The ground rent charged by ROH Holdings Ltd to the Charity is disclosed in note 5 and the related operating lease commitments in note 14.

(c) Royal Opera House Enterprises Limited – registered company no. 04112266
Royal Opera House Enterprises Limited is a subsidiary of ROHCGF and is an event, catering and video production company.

Amounts due to and from connected Charities are disclosed in the notes to these accounts. There were no other transactions with trustees, connected persons or connected charities during the year and trustees received no remuneration and were paid no expenses during the year (*2020: nil*).

16 Ultimate parent undertaking

The smallest and largest group into which the accounts of the Charity are consolidated is the ROHCGF, (Royal Opera House Covent Garden Foundation (Limited by guarantee), company number 480523, registered charity no. 211775 whose object it is to promote and assist in the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, to raise the artistic taste of the country, and to procure and increase the appreciation and understanding of the musical art in all its forms), the ultimate parent undertaking incorporated in the United Kingdom. ROHCGF exercises dominant influence over the Charity being both the power to govern and the ability to benefit from the Charity's activities. Three of the trustees are directors of ROHCGF only for so long as Sir Simon Robey remains a director of ROHCGF and otherwise no more than two of the Trustees are directors ROHCGF, all new trustees appointed must be done so in consultation with the ROHCGF and all

DocuSign Envelope ID: B587A247-A1FE-41E2-8CC5-8022EC2F892A

grants are made to, or for the benefit of the ROHCGF. Its accounts are available to the public and may be obtained from The Royal Opera House, Covent Garden, London WC2E 9DD.

17 Statement of financial activities for the year ended 31 August 2020

	Note	Unrestricted £	Restricted (Income) £	Restricted (Capital) £	2020 Total £	2019 Total £
Income and endowments from:						
Donations and legacies	2	-	-	620,441	620,441	2,357,210
Investment	3	670,437	463,182	19	1,133,638	1,481,756
Total incoming		670,437	463,182	620,460	1,754,079	3,838,966
Expenditure on:						
Charitable activities						
Grants to Royal Opera House Covent Garden Foundation	4	(677,000)	(1,124,490)	(452,510)	(2,254,000)	(2,421,134)
Raising funds						
Raising donations and legacies	5	(18,482)	-	-	(18,482)	(27,073)
Investment managers' fees		(105,863)	(155,248)	-	(261,111)	(255,477)
Total expenditure		(801,345)	(1,279,738)	(452,510)	(2,533,593)	(2,703,684)
Net gains on investments	6	-	155,913	(388,037)	(232,124)	1,792,386
Net (expenditure) / income		(130,908)	(660,643)	(220,087)	(1,011,638)	2,927,668
Fund balances brought forward at 1 September 2019	12;13	657,432	3,834,812	43,647,486	48,139,730	45,212,062
Fund balances carried forward at 31 August 2020	12;13	526,524	3,174,169	43,427,399	47,128,092	48,139,730

18 Post Balance Sheet Event

In November 2021 the Trustees approved the payment of an exceptional grant of £3,774,000 to be paid from the Charity to the ROHCGF in support of the latter's recovery plan. The funds are part of the income accumulated by the Paul Hamlyn Education Fund. The funding agreement for the Paul Hamlyn Education Fund was amended on 28 September 2021 to facilitate this exceptional grant. This grant is being treated as a non-adjusting post balance sheet event.

THE ROYAL OPERA HOUSE ENDOWMENT FUND 2000

England & Wales - Charity number 1089928

Accounts

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

ROYAL
OPERA
HOUSE

The Royal Opera House Endowment Fund 2000

Trustees' report and financial statements

Charity number 1089928

Year Ended 31 August 2020

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

Contents

Trustees' report 3
Statement of responsibilities of the Trustees of The Royal Opera House Endowment Fund 2000 9
Independent auditor's report to the Trustees of the Royal Opera House Endowment Fund 2000 10
Statement of financial activities (including income and expenditure account and statement of total recognised gains and losses) 13
Balance sheet 14
Notes to the financial statements 15

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

Trustees' report

The trustees present their report together with the audited accounts for the year ended 31 August 2020. These accounts and annual returns will be filed with the Charity Commission.

Reference and administrative details of the charity, its trustees and advisors

Charity Number	1089928
Principal Office	Royal Opera House, Covent Garden, London, WC2E 9DD
Auditors	Grant Thornton UK LLP Grant Thornton House 30 Finsbury Square London EC2A 1AG
Bankers	Coutts and Co 440 Strand London WC2R 0QS
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Investment Managers	Stonehage Fleming Investment Management Limited 15 Suffolk Street London SW1Y 4HG Troy Asset Management Limited Brookfield House 33 Davies Street London W1K 4BP Newton Investment Management Limited BNY Mellon Centre 160 Queen Victoria Street London EC4V 4LA
Trustees	Dame Vivien Duffield (Chairman) (Royal Opera House Trustee) Tim Bunting (Royal Opera House Trustee) Hamish Forsyth (Independent Trustee) Sir Simon Robertson (Independent Trustee, retired 20 April 2020) Sir Simon Robey (Deputy Chairman) Baroness Shackleton of Belgravia (Independent Trustee, retired 20 April 2020) Peter Troughton CBE (Independent Trustee)
Secretary to the trustees	Ivan Daffern (retired 16 March 2020)

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

Structure, governance and management

Governing document
The Royal Opera House Endowment Fund 2000, ('the Charity'), was established by trust deed on 14 December 2001 and is a registered charity number 1089928.

Appointment and training of trustees
The trustees who have served wholly or partly during the year are set out on the previous page. The appointment of new trustees is vested in the existing trustees who shall consult the Royal Opera House before any appointment. The trustees shall ensure that only two of the trustees are directors of Royal Opera House Covent Garden Foundation, ('ROHCGF' or 'the Royal Opera House') and that no employee of ROHCGF is appointed a trustee. There shall be not less than five nor more than eight trustees of the Charity.

Trustees hold office for an initial term not exceeding three years and are eligible for reappointment for further terms not exceeding three years, but may resign as trustee before the expiry of any term by notice in writing to the trustees.

The trustees appoint one of their number as the chairman of the trustees.

New trustees undergo an induction session with the secretary to the trustees to brief them on their obligations under charity law, the content of the trust deed, and the conduct of trustee meetings.

Organisation
The direction and control of the Charity is determined by the trustees, who meet at least twice a year. As set out in the Charity SORP, the trustees are the key management personnel with oversight of the management and activities of the Charity. They receive no compensation. Day to day management and administration of the Charity is delegated to Alex Beard (Chief Executive Officer of the Royal Opera House), who attends the trustee meetings.

Connected charities and companies
ROHCGF ('the Royal Opera House') – registered charity no. 211775. The Charity holds investments and generates income to grant to the ROHCGF. The principal activity of the ROHCGF is the presentation of opera and ballet performances at the Royal Opera House and tours in the United Kingdom and overseas. The power of appointing new trustees of the Charity is vested in the trustees who consult ROHCGF before any exercise of this power. The trustees ensure that only two of the trustees are ROHCGF trustees and that no employee of ROHCGF is appointed a trustee.

ROH Holdings Ltd – registered company no. 02580395. This is a holding company with one subsidiary, ROH Developments Limited, a property development company.

Royal Opera House Enterprises Limited – registered company no. 04112266. This is a subsidiary of ROHCGF.

Going Concern
The Trustees must satisfy themselves as to the Charity's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. From the beginning of the pandemic the Trustees have monitored the general economic impact of Covid-19, in particular the impact on investment markets. Although investment markets had initially been adversely affected at the start of the pandemic in March 2020 they have since recovered. The Trustees continue to work closely with the investment managers to ensure funds are invested as effectively as possible to minimise exposure to risk during this uncertain time. As the Charity

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

holds endowments and other funds of £47m, the Trustees feel there is little risk of the Charity not being able to continue in operational existence for the foreseeable future and for this reason the financial statements have been prepared on a going concern basis.

Risk Management

The trustees have examined the major strategic and operational risks that face the Charity and are satisfied there are systems in place to mitigate identified risks. The trustees have received assurances from the Audit Committee of ROHCGF of the effectiveness of the internal controls. The main risks identified relate to the Covid-19 pandemic and the state of the UK economy, which have a direct impact on investment values and fundraising generally. The performance of investments is key to creating income that can be granted to the ROHCGF in the furtherance of its charitable objects. The trustees manage this risk by regularly meeting with the Investment Managers and by scrutinising regular updates and presentations from the Investment Managers to understand the risk profile of the investments. Annually, the trustees review the risk register for the Charity.

Objects and activities

The objects of the Charity are to promote the education of the public in the arts of opera and ballet by making grants to, or for the benefit of, the Royal Opera House. The Charity does this by seeking to increase its capital base by actively marketing the Charity as a recipient of legacy income and other gifts. The Charity also generates capital growth and income in order to make grants to the Royal Opera House.

The ROHCGF aims to enrich people's lives through opera and ballet. Home to two of the world's great artistic companies – The Royal Opera and The Royal Ballet, performing with the Orchestra of the Royal Opera House – it seeks to be accessible to audiences across the UK and to break new ground in the presentation of lyric theatre.

Despite a challenging year due to the pandemic, the Royal Opera House is one of the busiest theatres in the world, delivering over 281 performances, employing more than 1,000 staff and generating a turnover of over £117m. In turn this enabled over 390,000 attendances at the Royal Opera House and over 500,000 in cinemas worldwide in 2019/20, further extended via broadcasting, digital activity and collaboration with touring companies. In addition, more than 1,500 schools took part in learning and participation projects.

From workshops in schools to formal apprenticeships, community projects to teacher training, the Royal Opera House deepened the knowledge and experience of thousands of people last year, including through its extensive participatory programme in Thurrock and the Thames Gateway.

The Royal Opera House's achievements, supported by the Charity, are detailed in the Royal Opera House Trustees' report and financial statements for 2019/20.

Public Benefit

The Charity delivers public benefit by making grants each year to the Royal Opera House. The Trustees of the Royal Opera House refer to the Charity Commission's general guidance on public benefit when shaping and reviewing the ROHCGF charity's aims, objects and future strategies. In setting the level of ticket prices, charges and concessions, and in developing digital and broadcast distribution, the Royal Opera House Trustees give careful consideration to the accessibility of the Royal Opera House to those on low incomes. This is addressed through maintaining a wide range of ticket prices, as well as through several ticket subsidy

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

schemes, free events, Big Screens, cinema, live streaming, digital and broadcast activity and an extensive learning and participation programme.

Grant making policy

The Charity comprises a number of separate funds. It determines the funding of projects which accord with their objects and which benefit the Royal Opera House. Each fund has a specific purpose:

- **Jean Sainsbury Fund** may be used for the support of grand opera and classical ballet. The original transfer of funds to the Charity was made on the basis that the capital amount could be used to augment any annual grant to the Royal Opera House up to a total value of 5% of the value of the funds at the start of the year;
- **Paul Hamlyn Education Fund** may be used to support the activities of the educational projects of the Royal Opera House. Applications are considered against the objects of the fund and the most suitable projects chosen in consultation with the Paul Hamlyn Foundation;
- **Franklin Fund** is used to support choreographic work at the Royal Opera House;
- **Derek Butler Apprenticeship Fund** is to be used to support the training of apprentices at the Royal Opera House. It is to be used over ten years from 2013;
- **Paul Ferguson Memorial Fund** may be used to support ballet;
- **Susan A. Olde OBE Music Director Fund** is to be used to support the office of the Music Director. It is to be used over six seasons from 2017/18;
- **Main Endowment Fund** Unrestricted funds may be used in accordance with the charitable objects at the discretion of the trustees. The restricted funds may also be used in accordance with the object of the Charity, specifically relating to grants out of capital. This object requires that the trustees (acting unanimously) have a clear policy for restoring any grant out of capital within a period of five years or in exceptional circumstances a period not exceeding ten years.

Achievements and performance

During the year the Charity made grants of £2,254,000 (*Year ended 31 August 2019: £2,421,134*) to the Royal Opera House. The grants made were as follows:

Productions £644,500

- **Main Endowment Fund** - £364,500 to support the following productions: *Otello, Madama Butterfly, Death in Venice, La Boheme, The Sleeping Beauty, Coppelia, Swan Lake, Concerto/Enigma Variations/Raymonda Act III* and £50,000 to support *Abaya and Aisha*;
- **Jean Sainsbury Fund** - £170,000 to support *Manon;*
- **Paul Ferguson Memorial Fund** - £60,000 to support *Onegin.*

Education and Apprenticeships £539,000:

- **Main Endowment Fund** - £25,000 to the Education department to support the *Chance to Dance* programme;
- **Paul Hamlyn Education Fund** - £344,000 to support a variety of educational projects;
- **Derek Butler Apprenticeship Fund** - £170,000 to support the Apprenticeship Scheme.

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

Other £1,070,500:

- **Main Endowment Fund** - £80,000 to support the production of the Nightly Cast Sheets which are provided free for every performance;
- **Main Endowment Fund** - £150,000 to support the running costs of the Music Library;
- **Main Endowment Fund** - £7,500 for the Healthcare Suite;
- **Susan A. Olde OBE Music Director Fund** - £833,000 to support the office of the Music Director.

The investment managers, Stonehage Fleming Investment Management Limited, Troy Asset Management Limited and Newton Investment Management Limited, achieved a combined capital growth and income return net of investment management fees of 0.79% for the year ended 31 August 2020 (*Year ended 31 August 2019 7.07%).* The return for 2020 did not exceed the blended target of CPI plus 3.5% (3.7%). Investments with Stonehage Fleming which are long term in nature are being progressively wound down.

Financial review

Grants totalling £2,254,000 (*Year ended 31 August 2019 £2,421,134*) were made to the ROHCGF in furtherance of the Charity's objects. Other resources expended related primarily to the management of investments, and the marketing of the Charity as a beneficiary of legacy income for the benefit of the Royal Opera House. The investment managers' fees were £261,111 (*Year ended 31 August 2019 £255,477*).

The total funds at 31 August 2020 were £47.1m (*Year ended 31 August 2019 £48.1m*). The net decrease in funds for the year as set out in the statement of financial activities was £1,011,638 (*Year ended 31 August 2019: increase of £2,927,668*), comprising net outgoing resources of £779,514 and net realised and unrealised losses of £232,124 on investments held with investment managers. Funds held with investment managers at the end of the year were £38,584,294 (*2019: £39,149,090*) including cash holdings with investment managers of £7,170,929 (*2019: £4,139,535*) disclosed under Fixed Assets. Additional cash balances at the bank at the end of the year were £2,797,495 *(2019: £4,339,933).*

Investment powers and policy

There are no restrictions on the investment powers of the trustees. The trustees are permitted to invest and reinvest the trust fund, providing the objects and purposes of the Charity are met, and subject to such consents as may be required by law.

Investment Policy

The Trustees reviewed and agreed an Investment Policy in line with the Charities Commission Guidance CC14. A summary of the key investment objects are as follows:

- Generate investment income to maximise the grant income available to support the ROHCGF; and
- Deliver capital growth to maintain the real value of investments for future years.

To achieve the above objects the trustees have set the investment benchmark of a blended total return of CPI +3.5% on a rolling basis, (net income 1.5% and capital return of CPI +2%).

Reserves policy

The trustees have reviewed the free reserves (comprising unrestricted net current assets) of the Charity which are £526,524 at 31 August 2020 (*31 August 2019: £657,431*). Free reserves are intended to give the Charity financial flexibility and a buffer against operational risks. Having considered the Charity's commitments with regard to the sensitivity of investment returns in the economic climate, the trustees have considered the level of free reserves and

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

believe total reserves are at an appropriate level at the year ended 31 August 2020. The aim has been to build up free reserves to ensure that grants can be made to the Royal Opera House in future years even if investment income underperforms.

Trustees and trustees' interests

No Trustee received any remuneration for his or her services or was reimbursed for out of pocket expenses, nor was the Charity involved with any contracts or transactions in which any trustee had a material interest.

Plans for future periods

The Charity seeks to increase its capital base by actively marketing the Charity as the recipient of legacy and philanthropic income pledged in support of the Royal Opera House and by achieving capital growth and income return in line with or in excess of investment objects. Grant applications will continue to be considered for the funding of projects which benefit the Royal Opera House which are consistent with the Charity Commission's guidelines on public benefit.

Auditors

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself / herself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

On behalf of the trustees

Dame Vivien Duffield

Dame Vivien Duffield
Trustee
Approved on 25 May 2021

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

Independent auditor's report to the trustees of The Royal Opera House Endowment Fund 2000

Opinion

We have audited the financial statements of The Royal Opera House Endowment Fund 2000 (the 'charity') for the year ended 31 August 2020, which comprise the Statement of Financial Activities, the Balance Sheet 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 charity's affairs as at 31 August 2020 and of its incoming resources and application of resources for the year 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 Charities Act 2011

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 charity 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the trustees and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the charity's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the charity's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a charity associated with these particular events.

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:

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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.

In our evaluation of the Trustees' conclusions, we considered the risks associated with the charity's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the charity's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and Financial Statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 9, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
25th May 2021

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

Statement of financial activities for the year ended 31 August 2020

	Note	Unrestricted £	Restricted (Income) £	Restricted (Capital) £	2020 Total £	2019 Total £
Income and endowments from:						
Donations and legacies	2	**-**	**-**	**620,441**	**620,441**	2,357,210
Investment	3	**670,437**	**463,182**	**19**	**1,133,638**	1,481,756
Total incoming		**670,437**	**463,182**	**620,460**	**1,754,079**	3,838,966
Expenditure on:						
Charitable activities						
Grants to Royal Opera House Covent Garden Foundation	4	**(677,000)**	**(1,124,490)**	**(452,510)**	**(2,254,000)**	(2,421,134)
Raising funds						
Raising donations and legacies	5	**(18,482)**	**-**	**-**	**(18,482)**	(27,073)
Investment managers' fees		**(105,863)**	**(155,248)**	**-**	**(261,111)**	(255,477)
Total expenditure		**(801,345)**	**(1,279,738)**	**(452,510)**	**(2,533,593)**	(2,703,684)
Net gains on investments	6	**-**	**155,913**	**(388,037)**	**(232,124)**	1,792,386
Net (expenditure) / income		**(130,908)**	**(660,643)**	**(220,087)**	**(1,011,638)**	2,927,668
Net movement in funds		**(130,908)**	**(660,643)**	**(220,087)**	**(1,011,638)**	2,927,668
Fund balances brought forward at 1 September 2019	12;13	**657,432**	**3,834,812**	**43,647,486**	**48,139,730**	45,212,062
Fund balances carried forward at 31 August 2020	12;13	**526,524**	**3,174,169**	**43,427,399**	**47,128,092**	48,139,730

Incoming resources arise from continuing operations.

The Charity had no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 15 to 26 form part of these financial statements.

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

Balance sheet
as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	*9*	**38,584,294**	39,149,090
Current assets			
Debtors amounts falling due after more than one year	*10*	**5,430,000**	5,430,000
Debtors amounts falling due within one year	*10*	**417,776**	1,459,904
Cash at bank		**2,797,495**	4,339,933
Total current assets		**8,645,271**	11,229,837
Creditors: amounts falling due within one year	*11*	**(101,473)**	(2,239,197)
Net current assets		**8,543,798**	8,990,640
Net assets		**47,128,092**	48,139,730
Unrestricted	*12*	**526,524**	657,432
Restricted (Income)	*12*	**3,174,169**	3,834,812
Restricted (Capital)	*12*	**43,427,399**	43,647,486
Funds	*12;13*	**47,128,092**	48,139,730

These financial statements were approved on 25 May 2021 by:

Dame Vivien Duffield
Trustee

Dame Vivien Duffield

The notes on pages 15 to 26 form part of these financial statements.

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

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 Charity's financial statements.

Basis of preparation

The financial statements are prepared in accordance with the FRS102 applicable accounting standards and the Charities Act 2011. They have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments. The Charity has adopted the Statement of Recommended Practice "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). There are no material departures from FRS102.

The Charity meets the definition of a qualifying entity under FRS102 as the results of the Charity are consolidated into the ROHCGF's financial statements which are publicly available. In accordance with FRS 102 S1.12, the Charity has taken advantage of the exemptions in respect of the preparation of a cash flow statement and the disclosure of financial instruments.

The Charity was established by trust deed in the United Kingdom on 14 December 2001 and is a registered charity number 1089928. The charity is registered in England and its principal address is Royal Opera House, Covent Garden, London, WC2E 9DD.

Going Concern

The Trustees consider that the going concern assumption is an appropriate basis on which to prepare these financial statements. After considering the risks associated with the economic impact of the pandemic (as set out within the heading Going Concern on pages 4 to 5) the Trustees consider the Charity has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from the date of the approval of these financial statements. For this reason, the financial statements have been prepared on a going concern basis.

Public Benefit

The Charity delivers public benefit by making grants on an annual basis to Royal Opera House Covent Garden Foundation, ('ROHCGF' or 'the Royal Opera House'). The Charity is a public benefit entity under FRS102.

Significant judgements and key sources of estimation uncertainty

Management have exercised their judgement in determining that the fair value of the leased commercial units at the inception of the leasing arrangement amounts to the initial payments paid by the third party and the present value of rent receipts over the term of the lease and determining that the residual value of the leased units at the end of the lease term is negligible when discounted to present value. See Note 10 for carrying values for the current and prior periods.

Fixed asset investments

Investments are shown at fair value as at the balance sheet date. Realised and unrealised gains on investments are recognised in the statement of financial activities, and are treated as attributable to Restricted Capital funds.

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

Finance leases
Finance leases are leases in which substantially all the risks and rewards of ownership, other than legal title, are transferred to the lessee. Assets acquired and held for use under finance leases are presented as a debtor at an amount equal to the net investment in the lease. Finance income is subsequently recognised at a constant periodic rate of return on that net investment. Contingent rentals arising under finance leases are recognised on receipt.

Fund accounting
Unrestricted funds may be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are to be used in accordance with the object of the Charity and specific restrictions placed by the donor.

Restricted funds have been further subdivided into restricted (capital) funds and restricted (income) funds. Restricted (capital) funds (also known as endowment funds) represent those assets that are required to be invested. These funds include both permanent restricted (capital) funds, where there is no power to convert the capital into income and the funds are required to be held permanently by the Charity, and expendable restricted (capital) funds where the trustees have the power to convert the capital into expendable income. Restricted (capital) funds are invested to produce income to meet expenditure, as directed by the terms of the endowment or by the terms of the Charity.

Restricted (income) funds are expendable at the discretion of the trustees on specific purposes as required by donors.

Functional Currency
The Charity operates primarily in the UK and the functional currency as well as the reporting currency is the pound sterling.

Income
Income is recognised only when it is probable that the economic benefits associated with the transaction will flow to the charity and the amount of the revenue can be measured reliably. Investment income is recognised on an accruals basis. Specifically, interest is recognised using the effective interest method and dividend income is recognised when the right to receive payment is established. Income from grants, donations and legacies is accounted for when the receipt is probable, there is evidence of entitlement and can be measured reliably. Entitlement is assessed using performance and time-restriction conditions.

Charitable expenditure
Expenditure is included on an accruals basis. Grants are recognised in the financial year in which the production or activity takes place.

Cash at bank and in hand
Cash at bank includes cash equivalents which are defined as short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

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 where receipt is not deferred beyond normal terms. Where receipt is deferred beyond normal terms, the debtor is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. In both instances, measurement is net of provision for doubtful debts.

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. Contracted commitments are not recorded as liabilities on the balance sheet, as the criteria for recognition have not been met. Commitments are disclosed in note 14.

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.

2 Donations and legacies

	Permanent endowment £	**Expendable endowment £**	**2020 Total £**	Permanent endowment	Expendable endowment	2019 Total £
Legacies	**619,781**	**-**	**619,781**	2,357,010	-	2,357,010
Other donations	**660**	**-**	**660**	200	-	200
	620,441	**-**	**620,441**	2,357,210	-	2,357,210

Donations and legacies are directed to support and grow the capital in the Charity unless otherwise directed by the donor. The Trustees have declared a legal trust over these incoming resources to invest and hold these funds as restricted capital funds.

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

3 Investment income

	2020	2019
	£	£
Finance lease interest income	**270,202**	270,204
Contingent rents	**52,972**	65,898
Dividend and interest income	**810,464**	1,145,654
	1,133,638	1,481,756

Dividend and interest income is earned on funds managed by the Investment Managers and interest on bank deposits held at Coutts and Co. Finance lease interest income and contingent rents are derived from leases for the retail units on the site of the Royal Opera House.

4 Grants

During the year the Charity made grants of £2,254,000 (*2019: £2,421,134*) to the Royal Opera House in support of the following productions/projects:

	Unrestricted (Income)	**Restricted (Income)**	**Restricted (Capital)**	**Restricted (Capital)**	**Restricted (Capital)**	**Total**
			Permanent	Expendable	Total	
	£	**£**	**£**	**£**	**£**	**£**
Nightly Cast Sheets	**80,000**	**-**	**-**	**-**	**-**	**80,000**
Otello	**45,563**	**-**	**-**	**-**	**-**	**45,563**
Madama Butterfly	**45,563**	**-**	**-**	**-**	**-**	**45,563**
Death in Venice	**45,563**	**-**	**-**	**-**	**-**	**45,563**
La Boheme	**45,563**	**-**	**-**	**-**	**-**	**45,563**
The Sleeping Beauty	**45,562**	**-**	**-**	**-**	**-**	**45,562**
Coppelia	**45,562**	**-**	**-**	**-**	**-**	**45,562**
Swan Lake	**45,562**	**-**	**-**	**-**	**-**	**45,562**
Concerto/Enigma Variations/Raymonda Act III	**45,562**	**-**	**-**	**-**	**-**	**45,562**
Abaya and Aisha	**50,000**	**-**	**-**	**-**	**-**	**50,000**
Manon	**-**	**50,143**	**-**	**119,857**	**119,857**	**170,000**
Onegin	**-**	**46,048**	**-**	**13,952**	**13,952**	**60,000**
Music Library	**150,000**	**-**	**-**	**-**	**-**	**150,000**
Education projects	**-**	**182,182**	**-**	**161,818**	**161,818**	**344,000**
Chance to Dance Education Project	**25,000**	**-**	**-**	**-**	**-**	**25,000**
Healthcare Suite	**7,500**	**-**	**-**	**-**	**-**	**7,500**
Derek Butler Apprentices	**-**	**13,117**	**-**	**156,883**	**156,883**	**170,000**
Susan Olde Music Director Fund	**-**	**833,000**	**-**	**-**	**-**	**833,000**
	677,000	**1,124,490**	**-**	**452,510**	**452,510**	**2,254,000**

5 Expenditure on raising donations and legacies

	2020	2019
	£	£
Marketing and publicity	**13,482**	22,073
Ground rent	**5,000**	5,000
	18,482	27,073

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

6 Gains and losses on revaluations and disposals of investments

	2020	2019
	£	£
Realised gains on disposal of investments	**1,758,513**	1,295,720
Unrealised (loss)/gain on revaluation of other investments	**(1,990,637)**	496,666
	(232,124)	1,792,386

During the year there were losses on investments totalling £232,124 (*2019: gains of £1,792,386*). Of this £1,990,637 relates to unrealised losses primarily due to negative movements in the fair value of the investments held by Troy and Newton, and £1,758,513 relates to realised gains mainly on the disposal of investments transferring funds from the Trojan Income Fund to the Trojan Fund.

Realised gains on investments are classified as 'Restricted Capital' within the Statement of financial activities, as they were immediately reinvested within the investment portfolio and were not available to be utilised at the discretion of the trustees.

7 Trustees' remuneration

Trustees received no remuneration and were paid no expenses during the year (*2019: nil).* The Charity does not have any employees.

8 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Due to the high value of non-business and exempt activities, the Charity is unable to recover any tax on many of its purchases. All non-recoverable VAT is included within the appropriate expenditure headings.

9 Fixed asset investments

	2020	2019
	£	£
Held with investment managers:		
- Venture funds	**357,844**	340,254
- Quoted equities	**18,381,626**	24,331,582
- Hedge funds	**290,958**	526,574
- Bonds	**8,882,125**	7,999,825
- Cash funds	**7,170,929**	4,139,535
- Gold	**3,500,812**	1,811,320
Total investments with Investment Managers	**38,584,294**	39,149,090

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

The movements in investments held with investment managers were as follows:

	2020			2019		
	Listed investments	**Other investments**	**Total investments**	Listed investments	Other investments	Total investments
	£	**£**	**£**	£	£	£
Market value at beginning of the period	**38,009,188**	**1,139,902**	**39,149,090**	35,555,352	1,090,088	36,645,440
Additions (at cost)	**1,997,328**	**-**	**1,997,328**	997,179	-	997,179
Disposals (at opening market value)	**(1,980,000)**	**(350,000)**	**(2,330,000)**	(285,915)	-	(285,915)
Net realised and unrealised investment gains	**(208,878)**	**(23,246)**	**(232,124)**	1,742,572	49,814	1,792,386
Market value at end of the period	**37,817,638**	**766,656**	**38,584,294**	38,009,188	1,139,902	39,149,090
Historical cost at end of the period	**32,568,997**	**761,414**	**33,330,411**	28,908,834	761,414	29,670,248

Split of investments between those based in the UK and those that are based overseas:

			2020			2019
	UK	**Overseas**	**Total**	UK	Overseas	Total
	£	**£**	**£**	£	£	£
All Equities	**5,619,701**	**12,761,925**	**18,381,626**	15,069,603	9,261,979	24,331,582
Bonds	**3,630,907**	**5,251,218**	**8,882,125**	2,565,865	5,433,960	7,999,825
Alternative Investments*	**648,802**	**-**	**648,802**	866,828	-	866,828
Cash	**7,170,929**	**-**	**7,170,929**	4,139,535	-	4,139,535
Gold	**3,500,812**	-	**3,500,812**	1,811,320	-	1,811,320
	20,571,151	**18,013,143**	**38,584,294**	24,453,151	14,695,939	39,149,090

*Alternative investments includes Hedge Funds, Commodities, Property, Special Situations LLPs, Infrastructure and Currency Options.

10 Debtors

	2020	2019
	£	£
Debtors: amounts falling due after more than one year		
Finance lease rental income	**5,430,000**	5,430,000
	5,430,000	5,430,000
Debtors: amounts falling due within one year		
Finance lease rental income due within one year	**322,972**	335,898
Investment income receivable	**94,804**	254,056
Accrued income	**-**	869,950
	417,776	1,459,904

The 5% income interest in the leases of the retail units on the site of the Royal Opera House is accounted for as a finance lease debtor and therefore held at an historic valuation which in total is £5.7m. The property valuation undertaken by Gerald Eve LLP on 19 September 2019 deemed the fair value of this asset to be £11.75m.

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

	2020	2019
	£	£
Gross investment in a finance lease at the end of the period	59,782,000	60,056,000
Unearned finance income for the period	(54,082,000)	(54,356,000)
Present value of minimum lease payments at the end of the period	**5,700,000**	5,700,000

The expected maturity of the gross investment in a lease and present value of the minimum lease payments receivable is as follows:

	Gross investment in a finance lease	**Present value of minimum lease payments**
	£	**£**
Not later than one year	270,000	258,000
Later than one year and not later than five years	1,081,000	922,000
Later than five years	58,431,000	4,520,000
	59,782,000	**5,700,000**

11 Creditors: amounts falling due within one year

	2020	2019
	£	£
Amounts owing to Royal Opera House Covent Garden Foundation	**63,464**	2,196,188
Amounts owing to ROH Holdings Limited	**5,000**	10,000
Deferred rental income	**19,499**	19,499
Other creditors	**13,510**	13,510
	101,473	2,239,197

12 Analysis of net assets between funds

	Investments	**Cash at bank and in hand**	**Other net current assets**	**Total**
	£	**£**	**£**	**£**
Unrestricted Funds	-	1,768,437	(1,241,913)	526,524
Restricted Income Fund	-	1,029,058	2,145,111	3,174,169
Restricted Capital Fund	38,584,294	-	4,843,105	43,427,399
At 31 August 2020	**38,584,294**	**2,797,495**	**5,746,303**	**47,128,092**

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

Analysis of net assets between funds (at 31 August 2019)

	Investments	Cash at bank and in hand	Other net current assets	Total
	£	£	£	£
Unrestricted Funds	-	2,097,232	(1,439,800)	657,432
Restricted Income Fund	-	2,242,701	1,592,111	3,834,812
Restricted Capital Fund	39,149,090	-	4,498,396	43,647,486
At 31 August 2019	**39,149,090**	**4,339,933**	**4,650,707**	**48,139,730**

13 Funds

	Unrestricted	Restricted (Income)					
	Main Endowment Fund	Jean Sainsbury Fund	Paul Hamlyn Fund	Franklin Fund	Derek Butler Trust Fund	Paul Ferguson Memorial Fund	Susan A. Olde OBE Music Director Fund
	£	£	£	£	£	£	£
At 1 September 2019	657,432	-	189,698	-	-	-	3,645,114
Incoming resources	670,437	73,139	275,879	1	19,970	57,788	36,405
Resources expended	(801,345)	(73,139)	(275,879)	(1)	(19,970)	(57,788)	(852,961)
Gains on revaluations & disposals of investments	-	-	-	-	-	-	155,913
At 31 August 2020	**526,524**	**-**	**189,698**	**-**	**-**	**-**	**2,984,471**

	Restricted (Capital)						Total
	Main Endowment Fund	Jean Sainsbury Fund	Paul Hamlyn Fund	Franklin Fund	Derek Butler Trust Fund	Paul Ferguson Memorial Fund	
	£	£	£	£	£	£	£
At 1 September 2019	23,200,846	3,524,423	13,760,559	561	1,026,885	2,134,212	**48,139,730**
Incoming resources	620,441	-	-	19	-	-	**1,754,079**
Resources expended	-	(119,857)	(161,818)	-	(156,883)	(13,952)	**(2,533,593)**
Gains on revaluations & disposals of investments	(137,059)	(42,983)	(88,035)	(70)	(1,065)	(118,825)	**(232,124)**
At 31 August 2020	**23,684,228**	**3,361,583**	**13,510,706**	**510**	**868,937**	**2,001,435**	**47,128,092**

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

Main Endowment Fund is the Trust Fund as defined in the Charity's Trust Deed.

The above disclosure demonstrates the source of the Charity's funds.

Restricted funds currently represent:

- The **Main Endowment Fund** is a permanent Endowment. This comprises the surplus on the Royal Opera House Development Appeal held in the form of cash and property assets, and subsequent donations and legacies.
- The **Jean Sainsbury Fund** was created from a transfer of funds from the Jean Sainsbury Royal Opera House Fund, which was wound up in March 2004. The annual grant, to be spent on grand opera or classical ballet, is in the name of the Jean Sainsbury Fund. The original transfer of funds to the Charity was made on the basis that the capital amount could be used to augment any annual grant to the Royal Opera House up to a total value of 5% of the value of the funds at the start of the year. This is an expendable endowment.
- The **Paul Hamlyn Education Fund** is a separate fund comprising a donation received from the Paul Hamlyn Foundation. Income generated and capital, subject to certain restrictions, may be used to support the activities of the educational projects of the Royal Opera House. This is a permanent endowment.
- The **Franklin Fund** is a separate fund comprising a donation received from the late John Franklin. The income and capital from the Franklin Fund may be used to support the choreographic work at the Royal Opera House, and is therefore an expendable endowment.
- The **Derek Butler Apprenticeship Fund** is a separate fund created from a donation of £1.875m from the Derek Butler Trust to endow the Royal Opera House Apprenticeship Scheme. This is an expendable endowment to be spent over 10 years starting from September 2013.
- The **Paul Ferguson Memorial Fund** was established by the Peyton Trust as a permanent endowment which supports ballet.
- The **Susan A. Olde OBE Music Director Fund** is a separate fund created from a donation received from Susan A. Olde OBE to support the office of the Music Director. This is an expendable endowment to be spent over six seasons from 2017/18.

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

Funds (as at 31 August 2019)

	Unrestricted	Restricted (Income)					
	Main Endowment Fund	**Jean Sainsbury Fund**	**Paul Hamlyn Fund**	**Franklin Fund**	**Derek Butler Trust Fund**	**Paul Ferguson Memorial Fund**	**Susan Olde A. Olde OBE Music Director Fund**
	£	**£**	**£**	**£**	**£**	**£**	**£**
At 1 September 2018	701,572	-	189,698	-	-	-	4,252,297
Incoming resources	806,220	109,667	422,566	4	29,674	68,679	44,927
Resources expended	(850,360)	(109,667)	(422,566)	(4)	(29,674)	(68,679)	(851,039)
Gains on revaluations & disposals of investments	-	-	-	-	-	-	198,929
At 31 August 2019	**657,432**	**-**	**189,698**	**-**	**-**	**-**	**3,645,114**

	Restricted (Capital)						Total
	Main Endowment Fund	**Jean Sainsbury Fund**	**Paul Hamlyn Fund**	**Franklin Fund**	**Derek Butler Trust Fund**	**Paul Ferguson Memorial Fund**	
	£	**£**	**£**	**£**	**£**	**£**	**£**
At 1 September 2018	20,173,683	3,452,232	13,274,002	764	1,128,751	2,039,063	**45,212,062**
Incoming resources	2,357,209	-	-	20	-	-	**3,838,966**
Resources expended	-	(84,230)	(142,345)	-	(141,609)	(3,511)	**(2,703,684)**
Gains on revaluations & disposals of investments	669,954	156,421	628,902	(223)	39,743	98,660	**1,792,386**
At 31 August 2019	**23,200,846**	**3,524,423**	**13,760,559**	**561**	**1,026,885**	**2,134,212**	**48,139,730**

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

14 Commitments

The Charity has no capital commitments as at 31 August 2020 (2019: nil).

The Charity has commitments for future minimum lease payments under a non-cancellable operating lease as follows:

The future minimum lease payments under the non-cancellable operating lease is as follows:

	2020	2019
	£	£
Not later than one year	5,000	5,000
Later than one year and not later than five years	20,000	20,000
Later than five years	1,081,235	1,086,235

The lease payments payable are guaranteed at the greater of a minimum annual amount of £5,000 throughout the life of the long lease (expiry in December 2241) and 0.5% of 5% of the rents collected in an associated lease, held by the Charity. However, at the balance sheet date, the trustees consider this potential increased lease payments receivable to be so remote that the guaranteed minimum annual payments is recognised on a straight line basis over the lease. £5,000 was recognised as an expense during the year ended 31 August 2020 (2019: £5,000).

15 Transactions with trustees, connected persons, connected Charities and other related parties

Connected Charities

(a) Royal Opera House Covent Garden Foundation – registered charity no. 211775 and registered company no. 480523
The principal activity of the ROHCGF is to promote and assist in the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, to raise the artistic taste of the country, and to procure and increase the appreciation and understanding of the musical art in all its forms. The power of appointing new trustees of the Charity is vested in the trustees who consult ROHCGF before any exercise of this power. The trustees ensure that only two of the trustees are ROHCGF trustees and that no employee of ROHCGF is appointed a trustee.

Grants made to ROHCGF are disclosed in note 4.

(b) ROH Holdings Ltd – registered company no. 02580395
ROH Holdings Ltd is a holding company with one subsidiary, ROH Developments Limited, a property development company.

ROH Holdings Ltd charges the Charity for ground rent for the property lease held by the Charity which represents a 5% income interest in the leases for the retail units on the site of the Royal Opera House.

The ground rent charged by ROH Holdings Ltd to the Charity is disclosed in note 5 and the related operating lease commitments in note 14.

DocuSign Envelope ID: FCB1AB0A-44C1-490B-A8CF-B328CCF0C48E

(c) Royal Opera House Enterprises Limited – registered company no. 04112266
Royal Opera House Enterprises Limited is a subsidiary of ROHCGF and is an event, catering and video production company.

Amounts due to and from connected Charities are disclosed in the notes to these accounts. There were no other transactions with trustees, connected persons or connected charities during the year and trustees received no remuneration and were paid no expenses during the year (*2019: nil*).

16 Ultimate parent undertaking

The smallest and largest group into which the accounts of the Charity are consolidated is the ROHCGF, (Royal Opera House Covent Garden Foundation (Limited by guarantee), company number 480523, registered charity no. 211775 whose object it is to promote and assist in the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, to raise the artistic taste of the country, and to procure and increase the appreciation and understanding of the musical art in all its forms), the ultimate parent undertaking incorporated in the United Kingdom. ROHCGF exercises dominant influence over the Charity being both the power to govern and the ability to benefit from the Charity's activities. Two of the trustees must be trustees of ROHCGF, all new trustees appointed must be done so in consultation with the ROHCGF and all grants are made to, or for the benefit of the ROHCGF. Its accounts are available to the public and may be obtained from The Royal Opera House, Covent Garden, London WC2E 9DD.

17 Statement of financial activities for the year ended 31 August 2019

	Note	Unrestricted £	Restricted (Income) £	Restricted (Capital) £	2019 Total £	2018 Total £
Income and endowments from:						
Donations and legacies	2	**-**	**-**	**2,357,210**	**2,357,210**	**5,422,024**
Investment	3	**806,220**	**675,516**	**20**	**1,481,756**	**1,675,844**
Total incoming		**806,220**	**675,516**	**2,357,230**	**3,838,966**	**7,097,868**
Expenditure on:						
Charitable activities						
Grants to Royal Opera House Covent Garden Foundation	4	**(724,000)**	**(1,325,438)**	**(371,696)**	**(2,421,134)**	**(2,471,559)**
Raising funds						
Raising donations and legacies	5	**(27,073)**	**-**	**-**	**(27,073)**	**(29,206)**
Investment managers' fees		**(99,287)**	**(156,190)**	**-**	**(255,477)**	**(236,884)**
Total expenditure		**(850,360)**	**(1,481,628)**	**(371,696)**	**(2,703,684)**	**(2,737,649)**
Net gains on investments	6	**-**	**198,929**	**1,593,457**	**1,792,386**	**935,701**
Net income and movement in funds		**(44,140)**	**(607,183)**	**3,578,991**	**2,927,668**	**5,295,921**
Fund balances brought forward at 1 September 2018	12;13	**701,572**	**4,441,995**	**40,068,495**	**45,212,062**	**39,916,141**
Fund balances carried forward at 31 August 2019	12;13	**657,432**	**3,834,812**	**43,647,486**	**48,139,730**	**45,212,062**