



ROYAL
OPERA
HOUSE

The Royal Opera House Endowment Fund 2000

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

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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
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 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

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				2022	2021
		Unrestricted £	Restricted (Income) £	Restricted (Capital) £	Total £	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

Dame Vivien Duffield

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
<i>Romeo and Juliet</i>	-	3,790	-	166,210	166,210	170,000
<i>Giselle</i>	-	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
	<u>20,304</u>	<u>8,883</u>

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)
	<u>(647,776)</u>	<u>4,461,799</u>

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 Listed investments £	Other investments £	Total investments £		2021 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:

	UK £	Overseas £	2022 Total £		UK £	Overseas £	2021 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
	<u>5,430,000</u>	<u>5,430,000</u>
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
	<u>404,102</u>	<u>518,712</u>

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)
	<u>5,700,000</u>	<u>5,700,000</u>

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
	<u>59,243,000</u>	<u>5,700,000</u>

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

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

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.