ROYAL OPERA HOUSE COVENT GARDEN FOUNDATION

England & Wales · Charity number 211775

Details

Other names	ROYAL OPERA HOUSE COVENT GARDEN LIMITED, ORCHESTRA OF THE ROYAL OPERA HOUSE, ROH2, THE ROYAL BALLET, THE ROYAL OPERA
Status	Registered
Legal form	Charitable company
Company number	00480523
Registered	1962-10-17
Register	View on the Charity Commission register

Contact

Address	Royal Opera House Covent Garden London WC2E 9DD
Phone	02072129201
Email	Leah.Hurst@roh.org.uk
Website	www.roh.org.uk

Activities

Objects: 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. (SEE MEMORANDUM AND ARTICLES OF ASSOCIATION).

Activities: Presentation of opera and ballet performances at the Royal Opera House Covent Garden and tours in the United Kingdom and overseas

Downloaded from opencharities.uk/ew/211775

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **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, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-25	£181,942,000	£171,939,000	£287,897,000	1152
2023-08-27	£170,697,000	£154,757,000	£271,671,000	1129
2022-08-27	£132,687,000	£136,915,000	£254,745,000	978
2021-08-27	£84,291,000	£81,854,000	£244,425,000	822
2020-08-27	£118,016,000	£127,509,000	£232,054,000	1098

Downloaded from opencharities.uk/ew/211775

Trustees

Name	Role	Appointed
Alan Stanton		2024-10-08
Alistair Summers		2024-10-08
Baroness Deborah Bull		2025-09-01
Caroline Louise Britton		2021-12-14
Dame Carolyn McCall		2024-12-10
Daniel Ison		2024-09-01
Farah Golant		2024-12-10
Janis Elizabeth Susskind		2022-10-05
Joanna Streeten		2024-05-21
Lisa Jane Burger		2022-10-05
Lord John Browne		2020-09-01
Philipp Freise		2023-12-07
SIR NICHOLAS HYTNER		2026-01-01
Sir Lloyd Dorfman CBE		2015-02-10
Stephen Lucas		2024-09-01
TIMOTHY BRIAN BUNTING		2017-10-03
Zeinab Badawi-Malik		2019-10-08

Linked charities

- STAFF SUPERANNUATION FUND OF THE ROYAL OPERA HOUSE COVENT GARDEN, LIMITED (211775-1)
- SUPPLEMENTARY STAFF SUPERANNUATION FUND OF THE ROYAL OPERA HOUSE, COVENT GARDEN LIMITED (211775-2)

Downloaded from opencharities.uk/ew/211775

ROYAL OPERA HOUSE COVENT GARDEN FOUNDATION

England & Wales - Charity number 211775

Accounts

FINANCIAL STATEMENTS

ROYAL OPERA HOUSE COVENT GARDEN FOUNDATION (LIMITED BY GUARANTEE)

Consolidated financial statements

52 week period ended 25 August 2024

Registered charity number: 211775. Registered company number: 00480523.

Consolidated statement of financial activities

for the 52 week period ended 25 August 2024

	Note	Total Unrestricted Funds	Restricted Funds	Endowment Funds	52 week period ended 25-Aug-24 Total Funds	52 week period ended 27-Aug-23 Total Funds
		£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Charitable activities						
Operation of Royal Opera House (including box office)	3	**80,273**	-	-	**80,273**	80,292
Donations and legacies						
Donations, legacies and similar incoming resources	4	**20,815**	**28,660**	**1,335**	**50,810**	35,003
Grants from Arts Council England	5	**22,269**	**673**	-	**22,942**	24,302
Other trading activities						
Commercial trading income	6	**23,217**	-	-	**23,217**	20,882
Investments	7	**4,233**	**467**	-	**4,700**	3,119
Property Income	8	-	-	-	-	7,099
Total income and endowments		**150,807**	**29,800**	**1,335**	**181,942**	170,697
Expenditure on:						
Charitable activities						
Productions, sales and operations	9	**(128,374)**	**(20,256)**	**(980)**	**(149,610)**	(135,307)
Raising Funds						
Generating voluntary income	9	**(6,157)**	-	**(580)**	**(6,737)**	(5,471)
Commercial activities	9	**(15,592)**	-	-	**(15,592)**	(13,979)
Total expenditure	10	**(150,123)**	**(20,256)**	**(1,560)**	**(171,939)**	(154,757)
Net income / (expenditure)		**684**	**9,544**	**(225)**	**10,003**	15,940
Net gain on investments	12	-	-	**4,617**	**4,617**	52
Transfers between funds	20	**9,824**	**(9,764)**	**(60)**	-	-
Other recognised gains						
Gain on revaluation of heritage assets	12	**1,281**	-	-	**1,281**	-
Actuarial gain on the defined benefit pension scheme	24	**325**	-	-	**325**	934
Net movement in funds		**12,114**	**(220)**	**4,332**	**16,226**	16,926
Fund balances brought forward at 27 August 2023		**210,087**	**9,236**	**52,348**	**271,671**	254,745
Fund balances carried forward at 25 August 2024	20	**222,201**	**9,016**	**56,680**	**287,897**	271,671

Amounts relating to incoming resources and resources expended in the current and previous period derive from continuing activities. No significant new operations have been acquired in the period or the previous period.

There is no difference between the results for the period stated above and their historical cost equivalents, except for unrealised gains and losses on investments and heritage assets (see note 12).

Notes from pages 58 – 96 form part of the financial statements.

Consolidated balance sheet

as at 25 August 2024

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	25 August 2024 Total Funds £'000	27 August 2023 Total Funds £'000
Fixed assets						
Intangible fixed assets	13	**917**	**-**	**-**	**917**	1,527
Tangible fixed assets	14	**156,485**	**9,487**	**-**	**165,972**	177,553
Heritage assets	15	**7,303**	**-**	**-**	**7,303**	6,022
Investments	16(a)	**-**	**-**	**45,557**	**45,557**	38,275
Total fixed assets		**164,705**	**9,487**	**45,557**	**219,749**	223,377
Current assets						
Productions in preparation		**4,853**	**-**	**-**	**4,853**	3,822
Stocks	17	**461**	**-**	**-**	**461**	324
Debtors: amounts falling due after more than one year	18	**-**	**-**	**-**	**-**	717
Debtors: amounts falling due within one year	18	**29,547**	**-**	**121**	**29,668**	30,670
Cash at bank and in hand		**76,637**	**925**	**11,080**	**88,642**	65,450
Short term investments: Deposits		**25,000**	**-**	**-**	**25,000**	30,020
		136,498	**925**	**11,201**	**148,624**	131,003
Creditors: amounts falling due within one year	19	**(45,312)**	**(266)**	**(78)**	**(45,656)**	(46,814)
Net current assets		**91,186**	**659**	**11,123**	**102,968**	84,189
Total assets less current liabilities		**255,891**	**10,146**	**56,680**	**322,717**	307,566
Creditors: amounts falling due after one year	19	**(21,816)**	**(1,130)**	**-**	**(22,946)**	(23,091)
Net assets excluding pension liability		**234,075**	**9,016**	**56,680**	**299,771**	284,475
Defined benefit pension scheme liability	24	**(11,874)**	**-**	**-**	**(11,874)**	(12,804)
Net assets including pension liability		**222,201**	**9,016**	**56,680**	**287,897**	271,671
Funds						
Unrestricted general funds	20	**4,146**	**-**	**-**	**4,146**	4,200
Unrestricted revaluation funds	20	**1,670**	**-**	**-**	**1,670**	389
Unrestricted designated funds	20	**228,259**	**-**	**-**	**228,259**	218,302
Unrestricted funds before pension reserve		**234,075**	**-**	**-**	**234,075**	222,891
Unrestricted pension reserve	24	**(11,874)**	**-**	**-**	**(11,874)**	(12,804)
Restricted funds	20	**-**	**9,016**	**-**	**9,016**	9,236
Endowment fund	20	**-**	**-**	**56,680**	**56,680**	52,348
Total Funds		**222,201**	**9,016**	**56,680**	**287,897**	271,671

These financial statements were approved by the board of Trustees on 25 March 2025 and were signed on its behalf by:

SIR LLOYD DORFMAN CVO CBE

Trustee

CAROLINE BRITTON

Trustee

Notes from pages 58 – 96 form part of these financial statements.

Parent charitable company balance sheet

as at 25 August 2024

	Note	Unrestricted Funds £'000	Restricted Funds £'000	25 August 2024 Total Funds £'000	27 August 2023 Total Funds £'000
Fixed assets					
Intangible fixed assets	13	**917**	**-**	**917**	1,527
Tangible fixed assets	14	**156,485**	**9,487**	**165,972**	177,552
Heritage assets	15	**7,303**	**-**	**7,303**	6,022
Investment in subsidiaries	16(b)	**6,676**	**-**	**6,676**	6,676
Total fixed assets		**171,381**	**9,487**	**180,868**	191,777
Current assets					
Productions in preparation		**4,853**	**-**	**4,853**	3,822
Debtors: amounts falling due within one year	18	**28,661**	**-**	**28,661**	29,766
Cash at bank and in hand		**75,394**	**565**	**75,959**	50,517
Short term investments: Deposits		**25,000**	**-**	**25,000**	30,020
		133,908	**565**	**134,473**	114,125
Creditors: amounts falling due within one year	19	**(43,093)**	**(51)**	**(43,144)**	(44,544)
Net current assets		**90,815**	**514**	**91,329**	69,581
Total assets less current liabilities		**262,196**	**10,001**	**272,197**	261,358
Creditors: amounts falling due after one year	19	**(21,816)**	**(1,130)**	**(22,946)**	(23,091)
Net assets excluding pension liability		**240,380**	**8,871**	**249,251**	238,267
Defined benefit pension scheme liability	24	**(11,874)**	**-**	**(11,874)**	(12,804)
Net assets including pension liability		**228,506**	**8,871**	**237,377**	225,463
Funds					
Unrestricted general funds	20	**4,671**	**-**	**4,671**	4,671
Unrestricted revaluation funds	20	**1,670**	**-**	**1,670**	389
Unrestricted designated funds	20	**234,039**	**-**	**234,039**	224,082
Unrestricted funds before pension reserve		**240,380**	**-**	**240,380**	229,142
Unrestricted pension reserve	24	**(11,874)**	**-**	**(11,874)**	(12,804)
Restricted funds	20	**-**	**8,871**	**8,871**	9,125
Total Charity Funds		**228,506**	**8,871**	**237,377**	225,463

The parent company's income for the period was £166.049m (2023: £150.678m). Net income for the period, before other comprehensive income, was £10.308m (2023: £10.182m net income). After actuarial gain on defined benefit scheme of £0.325m (2023: £0.934m) and gain on the revaluation of heritage assets of £1.281m (2023: nil), the net movement in funds the period was £11.914m (2023: £11.116m).

These financial statements were approved by the board of Trustees on 25 March 2025 and were signed on its behalf by:

SIR LLOYD DORFMAN CVO CBE

Trustee

CAROLINE BRITTON

Trustee

Notes from pages 58 – 96 form part of these financial statements.

Consolidated statement of cash flows

for the 52 week period ended 25 August 2024

	52 Week period ended 25 August 2024	52 Week period ended 27 August 2023
	£'000	£'000
Cash flows provided from operating activities:		
Net cash provided/(used) by operating activities (see below)	**27,126**	19,241
Cash flows from investing activities:		
Capital expenditure on tangible fixed assets	**(10,425)**	(5,756)
Capital expenditure on intangible fixed assets	**(462)**	(1,460)
Additions of investment (at cost)	**(42,091)**	(1)
Disposals of investments	**39,426**	205
Finance lease interest and contingent rents received	**-**	136
Interest income received	**4,700**	2,983
Redemption/(investment) of short-term investments	**5,020**	40
Net cash used in investing activities	**(3,832)**	(3,853)
Cash flows from financing activities:		
Cash outflow on repayment of borrowings	**(102)**	(102)
Change in cash and cash equivalents in the reporting period	**23,192**	15,287
Cash and cash equivalents at the beginning of the reporting period	**65,450**	50,163
Cash and cash equivalents at the end of the reporting period	**88,642**	65,450
Reconciliation of net income to net cash flow from operating activities		
Net (outgoing) / incoming resources before other recognised gains and losses	**14,620**	15,992
Defined benefit pension scheme (gain)/expense	**(605)**	(440)
Investment and finance interest income	**(4,700)**	(3,119)
Interest payable	**497**	491
(Gains)/losses on investments	**(4,617)**	(52)
Depreciation charge	**22,005**	8,085
Amortisation of intangible fixed assets	**1,073**	1,425
Impairment of fixed assets	**-**	866
Decrease/(increase) in productions in preparation	**(1,031)**	(255)
(Increase)/decrease in stock	**(137)**	(70)
(Increase)/decrease in debtors	**1,719**	(4,515)
Increase/(decrease) in creditors	**(1,698)**	832
Net cash provided/(used) by operating activities	**27,126**	19,241

Notes from pages 58 - 96 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 financial statements:

Basis of preparation

The financial statements have been prepared in accordance with FRS102 : The Financial Reporting Standard applicable in the UK and Republic of Ireland and under the historical cost convention, modified to include the revaluation of investments and heritage assets, and in accordance with 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) and Companies Act 2006. There are no material departures from FRS102.

Comparative figures are shown for the 52 week period ended 27 August 2023.

Going Concern

The Trustees must satisfy themselves as to the Royal Ballet and Opera's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Board of Trustees have considered business plans and budgets based on an artistic programme of activity to August 2026, supplemented by outline plans in other areas. These plans show the impact of the challenges ahead given the reduction in ACE funding from April 2023, the external environment and the impact of inflation, and in the Board's assessment of going concern if they are taken into consideration whether the Royal Ballet and Opera has adequate resources to meet its obligations as they fall due in and beyond the 12 months from the date of approval of these financial statements.

In assessing going concern, the Board considered the financial impact of any shortfall in fundraising and trading income, and the impact of further increases on costs in excess of current plans. Whilst the Trustees are confident that these risks have adequate mitigation to ensure RBO remains a going concern, the modelling shows that there is sufficient liquidity to August 2026 excluding mitigations.

After consideration of the scenarios, the Trustees consider that the Royal Ballet and Opera (Group and Parent Charitable Company) has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason, the financial statements of the Group and Parent Charitable Company have been prepared on a going concern basis.

Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of the charity (Royal Opera House Covent Garden Foundation (Limited by Guarantee), incorporated in the United Kingdom with registered address and principal address of Royal Opera House, Covent Garden, London WC2E 9DD) and its subsidiaries as set out in note 22. All subsidiary results are presented for their statutory financial period, which falls within three months of the year end of the charity. The results of the ROH Holdings Limited Group and Royal Opera House Enterprises Limited (Company Number 04112266) have been included in the consolidated statement of financial activities throughout the period. ROH Holdings Limited (Company Number 02580395) is the holding company of ROH Developments Limited (Company Number 02580400). In the charity's financial statements, the investment in subsidiary undertakings is stated at cost.

The Royal Opera House Endowment Fund 2000 (Charity Registration Number 1089928) has also been consolidated in full throughout the period. Since its inception the Fund has been able to make grants (directly or indirectly) for the benefit of the Royal Ballet and Opera. The extent to which the Royal Ballet and Opera benefits from the Royal Opera House Endowment Fund 2000 and the extent of grants and consideration of grants to other bodies has been reviewed annually by the Trustees since its creation. Since the beginning of the period ended 25 March 2007, the Trustees have considered it appropriate to consolidate the Royal Opera

House Endowment Fund 2000 into the Royal Opera House Covent Garden Foundation Group (formerly the Royal Opera House Covent Garden Limited Group). In the Trustees' view, Royal Opera House Covent Garden Foundation has control in that it actually exercises dominant influence over the Royal Opera House Endowment Fund 2000, through influencing the operating and financial policies for the benefit of RBO and both entities are managed on a unified basis. Also, the objects of Royal Opera House Endowment Fund 2000 are substantially confined to the benefit of Royal Opera House Covent Garden Foundation.

A separate Statement of Financial Activities, or income and expenditure account, has not been presented for the charity in accordance with Section 408 of the Companies Act 2006. A separate cash flow statement has not been presented for the charity in accordance with FRS 102 section 1.12(b).

Public Benefit Entity
The Royal Opera House Covent Garden Foundation (Limited by Guarantee) is a Public Benefit Entity under FRS102.

Significant judgements and key sources of estimation uncertainty
Management have exercised their judgement in the following areas:

Assessing the useful lives of tangible fixed assets (see **Tangible fixed assets and depreciation** below) as well as any impairment provision required for those assets. See note 14 for carrying values for the current and prior periods.

The valuation method of heritage assets. See **Heritage assets** below and note 15 for more details and for carrying values for the current and prior periods.

The decision to include ROH Endowment Fund 2000 in the Group Consolidation. See **Basis of consolidation** above.

In addition, the pension actuarial assumptions (see **Pension Costs** below and note 24) are areas of significant judgement.

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

Income
Box office and other income from the operation of the Royal Ballet and Opera is stated net of Value Added Tax and consists primarily of ticket sales together with sales of other goods and services. Revenue from ticket sales is recognised on the night of the performance.

Membership income received is recognised on a time-apportioned basis over the period to which the membership relates.

Grants and donations are 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.

Legacies are accounted for when the receipt is probable, there is evidence of entitlement and can be measured reliably. Entitlement is assessed using conditions as set out in the will of the deceased legacy owner.

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 4)

Sponsorship income represents income from commercial organisations in support of specific activities. Income is recognised at the date of the event which is the point of delivery for goods or services.

Co-production income represents income from other theatre companies as a contribution towards the costs of delivering a new Opera or Ballet production. Income is recognised at the date of the first performance of the production.

Grants from Arts Council England are recognised on entitlement and when their receipt is probable.

Commercial trading income and other income is recognised at the point of delivery of goods or services.

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.

Amounts due to the Royal Ballet and Opera in respect of the Theatre Tax Credit are included in the financial year to which the claim relates. These amounts are recognised in income, rather than as a tax credit or recovery of expenditure, as the intention and nature of the Theatre Tax Credit is akin to government grant income.

Payment from a trading subsidiary under Gift Aid
Royal Opera House Enterprises Limited has adopted a policy of paying all its taxable profits to its parent charity, Royal Opera House Covent Garden Foundation, under Gift Aid. These gift aid payments are recognised in Royal Opera House Enterprises Limited as distributions through equity in the financial period in which the profits arise, under the terms of the Deed of Covenant between Royal Opera House Enterprises Limited and Royal Opera House Covent Garden Foundation.

The Royal Opera House Covent Garden Foundation recognises the income in the period in which the profits of the subsidiary arise.

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 Charity. Assets are recognised only when it is probable that future economic benefits will flow to the Charity 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 23.

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.

Fund accounting

Unrestricted funds are those that can be used in accordance with the charitable objectives at the discretion of the Trustees and include designated funds, representing unrestricted funds which have been earmarked for particular purposes.

Restricted funds are to be used in accordance with charitable objects and specific restrictions placed by the donor. Restricted funds have been further subdivided into restricted income funds and endowment funds. Restricted income funds are expendable at the discretion of the Trustees on specific purposes as required by donors.

Endowment funds represent those assets that are required to be invested to produce income to meet expenditure, either as directed by the endowment or for general purposes.

A transfer is made between restricted capital funds, representing tangible fixed assets required to be held for restricted purposes, and unrestricted funds to match depreciation charged on those tangible fixed assets.

Cash at bank and in hand

Cash at bank and in hand 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. These include deposits with more than 24 hours' notice to access. Any cash deposits at institutions with a notice period of longer than three months are separately disclosed under Short term investments: Deposits.

Short term investments: Deposits

Cash deposits with notice periods of more than three months are separately disclosed on the balance sheet and included in investing activities for the purposes of the cash flow statement. These have a maturity date of less than one year and are held for investment purposes rather than to meet short-term cash commitments as they fall due.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Tangible fixed assets costing less than £1,500 are not capitalised and are expensed through the income and expenditure account. Depreciation is provided at annual rates on a straight-line basis to write off the cost of tangible fixed assets over their estimated useful lives.

The principal rates used are as follows:

Freehold land and buildings	1 - 10%
Equipment and vehicles	10 - 33%
Stage, production and technical equipment	10 - 20%
Other equipment	4 - 25%
Computer hardware	33%
Motor vehicles	25%

As part of the capital investment programme, during the year the trustees reassessed the useful economic life of assets that were anticipated to be replaced in the next two to three years. This has resulted in these assets' useful economic life being shortened from their previous estimate, and an additional depreciation charge for the year of £12.6m.

Assets in course of construction are transferred to functional tangible fixed asset categories when the asset is ready for use and depreciated thereafter.

Heritage assets
The Royal Ballet and Opera maintains the following types of heritage assets:

- Fine art
- Costumes and accessories
- Other collections

Heritage assets are carried at fair value. Fair value of the fine art collection is based on retail replacement cost. Management have made reference to the latest available external valuations in forming their assessment of period end fair value. Gains and losses on revaluation are recognised through 'Other recognised gains' in the Statement of Financial Activities.

The Royal Ballet and Opera only recognises new acquisitions on the Balance Sheet where the value of these acquisitions is greater than £10,000. Purchases under £10,000 are recognised as an expense in the income and expenditure account in the period they were incurred.

Outside of those assets recognised on the balance sheet, there is an extensive collection of other items that are not valued and not included on the balance sheet. These include, but are not limited to, costumes, accessories, music scores and the audio visual collection. Before embarking on a comprehensive valuation, these assets would need to be fully catalogued, and given the extent of the items this would be a considerable and lengthy task. Also, due to the uniqueness of the majority of these assets, there is no comparable market value.

Expenditure which is required to preserve or prevent further deterioration of individual collection items is recognised in the income and expenditure account when it is incurred. The Collections department has a rolling programme of review and restoration and the budget put aside for this on an annual basis is £15,000.

Investments
Investments, excluding investments in subsidiaries, are shown at fair value as at the balance sheet date. 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 the 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 the asset or liability.

Realised and unrealised gains on investments are recognised in the income and expenditure account. Investments in subsidiaries are recorded at cost in the individual balance sheet of the charity.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the exchange rate ruling at balance sheet date. Transactions in foreign currency are translated at the exchange rate ruling at that date of the transaction. Foreign currency gains and losses are recognised as resources expended in the income and expenditure account.

Intangible fixed assets
Intangible fixed assets represent computer software.

Computer software is stated at cost less accumulated amortisation. Computer software costing less than £1,500 is not capitalised and is expensed through the income and expenditure account. Amortisation is provided at an annual rate of 33% on a straight-line basis to write off the cost of the computer software over its estimated useful life. Computer software in course of construction is transferred to the intangible asset category when the asset is ready for use and amortised thereafter.

Basic Loans
Loans payable are included at their amortised cost and disclosed in note 19. The long term portion is included in Creditors: amounts falling due after one year with the current portion included in Creditors: amounts falling due within one year.

Loans receivable are included at their amortised cost and disclosed in note 18. The long term portion is included in Debtors: Amounts due after one year with the current portion included in Debtors: amounts due within one year.

Expenditure
Expenditure on charitable activities comprises expenditure on productions, sales and operations of the Royal Ballet and Opera, and grants and transfers to third party organisations. Direct expenditure on productions staged is charged to costs of production and sales on the day of the first performance. Expenditure relating to productions which have not had their first performance by the period end are held on the balance sheet under the caption 'Productions in preparation.'

Expenditure on raising funds consist of direct fundraising costs, investment managers fees and costs of commercial trading operations. These costs are recognised when incurred.

Support costs, including management and administration, audit fees, legal and professional fees on statutory and governance matters and premises and depreciation costs have been allocated across expenditure on production, sales and operation, and expenditure on raising funds. Support costs are analysed in note 9.

On occasion, management decides to make redundancy or termination payments for operational reasons. These are expensed in the SOFA on an accruals basis.

Interest payable is shown separately in note 9 and in note 10.

Any irrecoverable VAT is included as part of the cost to which it relates.

Leases
As a lessee: Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

As a lessor: 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.

Pension costs
The charity operates a pension scheme providing benefits based on final pensionable pay, which is now closed to future accrual. Pension scheme assets are measured at fair value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability method. The pension scheme liability is disclosed on the balance sheet within unrestricted funds. The actuarial gain or loss for the period is disclosed under other recognised gains and losses in the Statement of Financial Activities. The current service costs and finance charge are included within expenditure on productions, sales and operations. These movements are analysed in detail in note 24.

The group also contributes to five defined contribution schemes for dancers, singers, musicians, and administration staff. The amounts charged to the Statement of Financial Activities represent the contributions payable to the schemes during the period. The amounts are shown in the Statement of Financial Activities in the same activity as the payroll costs which relate to that activity. For amounts which relate to payroll costs within support costs, these are allocated to the relevant activity on the same basis as other support costs (see note 9).

Any liabilities for unpaid contributions at year end are included in unrestricted creditors in the balance sheet.

Stocks
Retail items are included at the lower of cost and net realisable value.

Productions in preparation
Expenditure relating directly to a production which is incurred in advance of its staging, such as commissioning, build costs and stocks of production materials, are held in the first instance on the balance sheet and disclosed under the heading 'Productions in preparation.' These costs are subsequently charged to the income and expenditure account in the period in which the production's first performance takes place.

Gifts in kind
Investments and other assets donated to the charity are included as donated voluntary income valued at market value at the time of receipt.

Volunteers
The Royal Ballet and Opera Group benefits from the role played by volunteers, which includes assisting in certain learning and participation activities, helping with large mail-outs and some general administrative support. The Royal Ballet and Opera Volunteer Programme includes a number of volunteers in Thurrock. Donated services such as the contribution from unpaid volunteers are not recognised in the Statement of Financial Activities as the amounts involved would be impractical to measure.

Financial Instruments
Financial instruments are accounted for in accordance with FRS102. Financial instruments are recognised only when the Group and Charity becomes a party to the contractual provisions of the instrument.

The initial amount recognised is the transaction price, except for financing transactions (for example, loans below market rate or accounts where payment is deferred beyond normal terms) where the amount recognised initially is the present value of the future payments, discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost using the effective rate of interest determined at inception of the loan.

Subsequent measurement at each year end for non-financing transactions is:

- undiscounted cash receivable or payable for debt instruments due or receivable within one year (this includes intra-group balances, apart from intra-group loans, which are deemed to be repayable on demand); or
- amortised cost using the effective interest rate method for debt instruments due or receivable for more than one year; or
- fair value for investments in publicly traded shares, funds and bonds.

For financial assets measured at amortised cost, an impairment assessment is conducted at year end and if there is any objective evidence of an impairment loss, that loss is recognised in the Statement of Financial Activities immediately. Where there is subsequently objective evidence that the circumstances have improved, the impairment loss is reversed in the Statement of Financial Activities immediately, limited to what the carrying amount would have been without the initial impairment.

A financial asset and a financial liability is offset and the net amount presented in the Balance Sheet when, and only when, (a) there is currently a legally enforceable right to set off the recognised amounts; and (b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The group's financial instruments include investments, trade debtors, cash, trade creditors and loans. See policies above for specific policies for cash at bank and in hand, debtors, creditors, investments and basic loans.

Taxation

As a charitable entity, the Royal Opera House Covent Garden Foundation (Limited by Guarantee) is exempt from corporate taxation, so long as it uses its resources for charitable purposes. There are no recognised deferred tax amounts in the subsidiaries as there are no recognised significant timing differences.

Employee benefits

All employee benefits are recognised as expenses in the period in which they are incurred. Post-employment benefits, representing contributions into defined contribution plans for current staff are equally recognised as expenses in the period in which the contribution payable is exchanged for services rendered by staff. The assets of the scheme are held separately from the charity.

A termination benefit liability is recognised at the earlier of the following dates:

- when the entity can no longer withdraw the offer of those benefits or;
- when the entity recognises costs for the restricting which involves the payment of termination benefits.

2. Subsidiary undertakings

Charitable subsidiaries

The charity has one connected charity – the Royal Opera House Endowment Fund 2000. The Royal Opera House Endowment Fund 2000 is treated as a subsidiary for reasons outlined in Note 1.

Royal Opera House Endowment Fund 2000 (the "Endowment Fund") supports the work of the Royal Opera House and other organisations by raising funds to support projects which increase the appreciation and understanding of the musical arts in all forms. It is a separately registered charity, and its board has a majority of Trustees who are independent of the Royal Ballet and Opera.

The summary results for the Endowment fund are shown below:

	Endowment Fund	
	Year Ended	Year Ended
	31-Aug-24	31-Aug-23
	£'000	£'000
Income		
Donations, legacies and similar income	**1,356**	914
Investment income	**1,240**	1,152
Property Income	**-**	6,300
Total income	**2,596**	8,366
Expenditure		
Cost of sales and administrative expenses	**(25)**	(15)
Donations and grants to other group undertakings	**(2,308)**	(2,324)
Investment managers' fees	**(580)**	(269)
Total expenditure	**(2,913)**	(2,608)
Gains / (losses) on revaluation and disposal of investments	**4,617**	52
Net movement in funds	**4,300**	5,810

2. Subsidiary undertakings (continued)

The assets and liabilities of the Endowment fund were:

	Endowment Fund	
	31-Aug-24	31-Aug-23
	£'000	£'000
Fixed asset investments	**45,557**	38,275
Current assets	**11,436**	14,333
Current liabilities	**(91)**	(5)
Total net assets	**56,902**	52,603
Total funds	**56,902**	52,603

Except for fixed asset investments which at 31 August 2024 had an historical cost of £42.2m *(31 August 2023: £35.4m)* there is no difference between the carrying values and their historical cost equivalents.

Trading subsidiaries

The charity has two trading subsidiaries – ROH Holdings Limited and Royal Opera House Enterprises Limited.

Royal Opera House Enterprises Limited ("ROHEL") is a wholly owned trading subsidiary, whose principal activities are catering to customers and staff of the Royal Ballet and Opera, the sponsorship of Royal Ballet and Opera productions, multimedia production and distribution, hire of allocated spaces within the Royal Opera House, the sale of merchandise through the Royal Ballet and Opera shop, the sale of advertising through the Royal Ballet and Opera programmes and the licensing of the Royal Ballet and Opera brands. The charity owns the entire issued share capital. The reporting date of ROHEL is the same as the charity's, which falls on the last Sunday in August each year.

ROH Holdings is a holding company and has one wholly owned subsidiary, ROH Developments Limited, a property development company. The ROH Holdings Group prepares its accounts to 31 August each year. Summary trading results of all trading subsidiaries are shown below:

	ROHEL		ROHHL	
	52 week period ended 25-Aug-24 £'000	52 week period ended 27-Aug-23 £'000	**52 week period ended 31-Aug-23 £'000**	52 week period ended 31-Aug-22 £'000
Turnover	**23,217**	20,882	**5**	5
Cost of Sales	**(15,923)**	(14,462)	**(5)**	(5)
Gross profit	**7,294**	6,420	**-**	-
Administration and financial expenses	**(1,406)**	(1,494)	**-**	-
Operating profit	**5,888**	4,926	**-**	-
Profit before taxation	**5,888**	4,926	**-**	-
Net profit for the period	**5,888**	4,926	**-**	-
Donations under the gift aid scheme	**(5,888)**	(4,926)	**-**	-
Retained result in subsidiary for the period	**-**	-	**-**	-

2. Subsidiary undertakings (continued)

The assets and liabilities of each trading subsidiary were:

	ROHEL		ROHHL	
	25-Aug-24	27-Aug-23	**31-Aug-23**	31-Aug-22
	£'000	£'000	**£'000**	£'000
Intangible fixed assets	**-**	-	**320**	320
Current assets	**5,416**	5,196	**12**	17
Current liabilities	**(5,240)**	(5,020)	**(12)**	(17)
Non-current liabilities	**-**	-	**-**	-
Total net assets	**176**	176	**320**	320
Aggregate share capital and reserves	**176**	176	**320**	320

3. Income from operation of Royal Ballet and Opera

	52 week period ended 25-Aug-24 £'000	**52 week period ended 25-Aug-24 £'000**	52 week period ended 27-Aug-23 £'000	52 week period ended 27-Aug-23 £'000
Unrestricted funds:				
Box office receipts:				
The Royal Opera	**31,502**		30,767	
The Royal Ballet	**23,028**		21,796	
		54,530		52,563
Other income:				
Publications	**911**		921	
Other	**5,735**		5,184	
Theatre Tax Credit	**16,548**		20,603	
		23,194		26,708
		77,724		79,271
UK total		**2,549**		1,021
Overseas touring receipts		**80,273**		80,292

Other income of £5.74m *(52 week period ended 27 August 2023: £5.18m)* represents box office receipts from productions, other than those on the main stage, co-production income, income from production and costume hires, income from audio-visual exploitation, income from learning and participation, income from ice-cream sales and backstage tours and other income from sundry sources. Theatre tax credit of £16.5m *(52 week period ended 27 August 2023: £20.6m)* includes £0.31m related to the prior year *(52 week period ended 27 August 2023: £2.91m).*

4. Donations, legacies and similar incoming resources

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended**
	£'000	£'000	£'000	**25-Aug-24 £'000**
Membership	8,169	-	-	**8,169**
Events	2,067	-	-	**2,067**
Donations, gifts and legacies	10,579	28,660	1,335	**40,574**
	20,815	28,660	1,335	**50,810**

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended**
	£'000	£'000	£'000	**27-Aug-23 £'000**
Membership	7,715	-	-	**7,715**
Events	895	-	-	**895**
Donations, gifts and legacies	10,505	14,974	914	**26,393**
	19,115	14,974	914	**35,003**

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 £2.3m (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.

5. Grants from Arts Council England

	52 week period ended 25-Aug-24 £'000	52 week period ended 27-Aug-23 £'000
Unrestricted funds:		
Arts Council England - grant in aid	**22,269**	23,553
Restricted funds:		
Arts Council England - Bridge funding	**673**	749

No other forms of government assistance, apart from Arts Council England, were received in 2023/24 *(52 week period ended 27 August 2023: £0.05m)*.

6. Commercial Trading Income

	52 week period ended 25-Aug-24 £'000	52 week period ended 27-Aug-23 £'000
Unrestricted Funds		
Catering	**13,676**	12,022
Sponsorship	**2,664**	2,613
Sales of audio-visual materials	**236**	248
Cinema broadcast	**2,549**	2,712
Retail	**1,917**	1,656
Promotions and summer season	**778**	546
Venue Hire	**850**	544
Advertising	**205**	190
Property recharges	**-**	285
Licensing	**342**	66
	23,217	20,882

7. Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 25-Aug-24 £'000**
Dividend and interest income	4,233	467	-	**4,700**
	4,233	467	-	**4,700**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 27-Aug-23 £'000**
Dividend and interest income	2,595	388	-	**2,983**
Finance lease interest income	136	-	-	**136**
	2,731	388	-	**3,119**

Dividend and interest income is earned on funds managed (for the Royal Opera House Endowment Fund 2000) by the investment managers Stonehage Fleming Investment Management Limited, Troy Asset Management Limited, Newton Investment Management Limited, TCI Fund Management Limited, and Schroder & Co. Limited T/A Cazenove Capital, as well as interest received on bank deposits. Finance lease interest income was derived from the leases for the retail units on the site of the Royal Opera House until 28th February 2023 when the lease interest was varied and sold to Shaftesbury Capital Plc.

8. Property income

The Charity generated nil property income during the 52 week period ended 25th August 2024.

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 27-Aug-23**
	£'000	£'000	£'000	**£'000**
Sale of kiosk	799	-	-	**799**
Gain in variation of lease	-	-	6,300	**6,300**
	799	-	6,300	**7,099**

During the 52 week period ended 27th August 2023 the Charity recognised a total of £6.3m in property 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 £12.0m and the book value held under debtors was £5.7m.

9. Analysis of Expenditure

52 week period ended 25-Aug-24

	Charitable activities	Raising Funds			
	Productions, sales and operations £000	Generating voluntary income £000	Commercial activities £000	Support and governance costs £000	**Total £000**
Analysis by activity:					
The Royal Opera	17,506				17,506
The Royal Ballet	12,975				12,975
Orchestra of the Royal Opera House	11,570				11,570
Royalties and hire fees	722				722
Production	13,314				13,314
Stage and transport	14,823				14,823
Touring expenses	1,960				1,960
Other production and sales costs	9,241				9,241
Front of House	1,737				1,737
Marketing and publicity	12,190				12,190
Education, archives & live relays	5,333				5,333
Grant to Royal Ballet School	10				10
Fundraising staff costs		2,359			2,359
Fundraising overheads		2,216			2,216
Retail costs			992		992
Advertising and licensing costs			43		43
Sponsorship costs			456		456
Cinema broadcast costs			1,706		1,706
Property recharges			-		-
Catering costs			11,186		11,186
Other commercial costs			1,209		1,209
Management and administration				9,185	9,185
Premises				17,178	17,178
Depreciation, amortisation and impairment				21,189	21,189
Loss on disposal				1,848	1,848
External audit				151	151
Legal and professional costs				343	343
Interest payable				497	497
	101,381	4,575	15,592	50,391	171,939
Allocation of: Support and governance costs	48,229	2,162		(50,391)	-
Total Expenditure	**149,610**	**6,737**	**15,592**	**-**	**171,939**
Analysis by fund:					
Unrestricted	128,374	6,157	15,592	-	150,123
Restricted	20,256	-	-	-	20,256
Endowment	980	580	-	-	1,560
Total Expenditure	**149,610**	**6,737**	**15,592**	**-**	**171,939**

9. Analysis of Expenditure (continued)

	52 week period ended 27-Aug-23				
	Charitable activities	Raising Funds			
	Productions, sales and operations £000	Generating voluntary income £000	Commercial activities £000	Support and governance costs £000	**Total £000**
Analysis by activity:					
The Royal Opera	20,090				20,090
The Royal Ballet	12,408				12,408
Orchestra of the Royal Opera House	10,652				10,652
Royalties and hire fees	1,671				1,671
Production	15,038				15,038
Stage and transport	14,236				14,236
Touring expenses	685				685
Other production and sales costs	8,530				8,530
Front of House	1,673				1,673
Marketing and publicity	9,734				9,734
Education, archives & live relays	5,035				5,035
Grant to Royal Ballet School	10				10
Fundraising staff costs		2,178			2,178
Fundraising overheads		1,860			1,860
Retail costs			824		824
Advertising and licensing costs			57		57
Sponsorship costs			626		626
Cinema broadcast costs			1,554		1,554
Property recharges			285		285
Catering costs			9,695		9,695
Other commercial costs			938		938
Management and administration				8,809	8,809
Premises				17,312	17,312
Depreciation, amortisation and impairment				9,877	9,877
External audit				142	142
Legal and professional costs				347	347
Interest payable				491	491
	99,762	4,038	13,979	36,978	154,757
Allocation of:					
Support and governance costs	35,545	1,433		(36,978)	-
Total Expenditure	**135,307**	**5,471**	**13,979**	**-**	**154,757**
Analysis by fund:					
Unrestricted	118,334	5,201	13,979	-	137,514
Restricted	15,967	-	-	-	15,967
Endowment	1,006	270	-	-	1,276
Total Expenditure	**135,307**	**5,471**	**13,979**	**-**	**154,757**

9. Analysis of Expenditure (continued)

The employer cash contribution to the defined benefit pension scheme is included in the expenditure on productions, sales and in operations in the Unrestricted fund in the Statement of Financial Activities (refer to note 24).

Grants made are in furtherance of the charity's objectives.

Support costs are pro-rated between the key cost driving areas: expenditure on productions, sales and operations and expenditure on raising funds, based on their proportional costs to the overall costs.

10. Total expenditure

Net income / (expenditure) is stated after charging the following:

	52 week period ended 25-Aug-24 £'000	52 week period ended 27-Aug-23 £'000
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	**151**	142
Fees payable to the charitable company's auditor for other services:		
Audit of the charitable company's subsidiaries, pursuant to legislation	**29**	25
Fees payable for tax and advisory services	**75**	63
Depreciation and other amounts written off:		
Tangible fixed assets - owned (note 14)	**22,005**	8,085
Amortisation of intangible fixed assets (note 13)	**1,073**	1,425
Operating leases - land and buildings	**1**	1
Interest payable	**497**	491

11. Staff numbers and costs

The number of permanent staff employed by the group during the period was as follows:

	Number of staff	
	52 week period ended 25-Aug-24	52 week period ended 27-Aug-23
Production	**388**	400
Orchestra	**106**	101
Royal Ballet	**161**	159
Royal Opera	**115**	103
Sales and marketing	**104**	111
Management and administration	**137**	118
Fundraising	**57**	57
Education and collections	**50**	46
Premises	**10**	6
Shop	**24**	28
	1,152	1,129

The number of staff employed on a full-time equivalent basis equates to 1,096 *(for 52 week period ended 27 August 2023: 1,055).*

11. Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	52 week period ended 25-Aug-24 £'000	52 week period ended 27-Aug-23 £'000
Payroll Costs		
Wages and salaries	**53,685**	49,177
Social security costs	**6,114**	5,561
Other pension costs, of which:	**3,975**	3,896
-contributions to defined contribution pension schemes	*2,872*	*2,662*
-operating costs of defined benefit pension scheme	*1,103*	*1,234*
Non-PAYE payroll costs	**3,715**	3,497
	67,489	62,131

The average salary cost per full-time equivalent staff member (£48,983), excluding termination costs, has increased compared to prior period (£46,614). This average increase per staff member of 5% is driven by our annual pay award.

Included in the wages and salaries are termination and redundancy payments of £432,898 *(for 52 week period ended 27 August 2023: £415,134)* that left employment up to 25 August 2024. All termination and redundancy costs are included in total payroll costs of £67.5m, as above.

11. Staff numbers and costs (continued)

The emoluments of all staff, including staff whose emoluments exceeded £60,000 for the period, fell within the following bands:

					Number of staff 52 week period ended 25-Aug-24			Number of staff 52 week period ended 27-Aug-23
			Performers	Artistic and General Management	**Total**	Performers	Artistic and General Management	**Total**
	up to	£59,999	173	772	**945**	176	792	**968**
£60,000	-	£69,999	46	29	**75**	44	26	**70**
£70,000	-	£79,999	35	16	**51**	30	14	**44**
£80,000	-	£89,999	19	12	**31**	5	4	**9**
£90,000	-	£99,999	10	3	**13**	6	4	**10**
£100,000	-	£109,999	8	3	**11**	2	1	**3**
£110,000	-	£119,999	-	4	**4**	1	3	**4**
£120,000	-	£129,999	2	-	**2**	2	1	**3**
£130,000	-	£139,999	1	2	**3**	1	1	**2**
£140,000	-	£149,999	-	-	**-**	3	1	**4**
£150,000	-	£159,999	4	-	**4**	1	2	**3**
£160,000	-	£169,999	1	2	**3**	-	1	**1**
£170,000	-	£179,999	-	2	**2**	-	2	**2**
£180,000	-	£189,999	1	2	**3**	1	1	**2**
£190,000	-	£199,999	-	1	**1**	-	1	**1**
£200,000	-	£249,999	-	2	**2**	-	1	**1**
£250,000	-	£299,999	-	-	**-**	-	1	**1**
£300,000	-	£349,999	-	1	**1**	-	-	**-**
£700,000	-	£749,999	-	1	**1**	-	-	**-**
£800,000	-	£849,999	-	-	**-**	-	1	**1**
			300	852	**1,152**	272	857	**1,129**

Emoluments comprise wages and salaries together with benefits in kind.

For staff in bandings from £60,000 and above, contributions of £1,058,345 *(for 52 week period ended 27 August 2023: £827,662)* were made during the period to defined contribution pension schemes.

Retirement benefits were accruing to 203 *(27 August 2023: 160)* of the above staff under defined contribution pension schemes, and to nil *(27 August 2023: nil)* under a defined benefit pension scheme.

11. Staff numbers and costs (continued)

Emoluments for the key management personnel are as follows:

	Salary (£)	Fees (£)	Total Emoluments (£)	Pension (£)	National Insurance (£)	Total (£)
						52 week period ended 25-Aug-24
Sir Antonio Pappano, Music Director	114,871	594,479	**709,350**	9,167	96,740	**815,257**
Alexander Beard, CBE, Chief Executive	317,856	-	**317,856**	12,710	42,609	**373,175**
Kevin O'Hare, Director, The Royal Ballet	219,441	-	**219,441**	21,538	29,028	**270,007**
Oliver Mears, Director of Opera	189,593	21,275	**210,868**	7,580	27,845	**246,293**
	841,761	**615,754**	**1,457,515**	**50,995**	**196,222**	**1,704,732**

	Salary (£)	Fees (£)	Total Emoluments (£)	Pension (£)	National Insurance (£)	Total (£)
						52 week period ended 27-Aug-23
Sir Antonio Pappano, Music Director	125,042	690,197	**815,239**	10,000	113,811	**939,050**
Alexander Beard, CBE, Chief Executive	299,924	-	**299,924**	3,113	40,700	**343,737**
Kevin O'Hare, Director, The Royal Ballet	213,073	-	**213,073**	20,749	28,352	**262,174**
Oliver Mears, Director of Opera	182,880	16,100	**198,980**	7,315	26,547	**232,842**
	820,919	**706,297**	**1,527,216**	**41,177**	**209,410**	**1,777,803**

Emoluments for Sir Antonio Pappano and Oliver Mears comprise a salary and separately contracted fees for conducting and directing, respectively, and any other payments for exploitation. The total level of fees varies season to season depending on the number of Royal Ballet and Opera engagements undertaken, and for Sir Antonio Pappano, his conducting fee did not increase in the period. The Board of Trustees awarded Alex Beard a 5% pay increase from April 2024, in line with the general pay award to staff. His salary remains below the level it would have been had his pre-Covid salary been subject to the subsequently negotiated cost of living increases for all other staff.

Key management personnel are reflected in the table above. Their compensation for the 52 week period ended 25 August 2024 included emoluments of £1.5m (52 week period ended 27 August 2023: £1.5m) which together with pension costs of £50,995 (52 week period ended 27 August 2023: £41,177) and employer contributions to national insurance of £196,222 (52 week period ended 27 August 2023: £209,410) came to £1.7m (52 week period ended 27 August 2023: £1.8m). Key management personnel also include Trustees who receive no compensation as detailed in note 22. Key management personnel do not include all of the Executive Team as listed in the Trustees' report.

12. Net Gains on investments and on revaluation of heritage assets

Endowment Funds	52 week period ended 25-Aug-24 £'000	52 week period ended 27-Aug-23 £'000
Realised gains on disposal of investments	**4,379**	18
Unrealised gains / (loss) on revaluation of investments	**238**	34
Gain / (loss) on investment assets	**4,617**	52

Unrestricted Funds	52 week period ended 25-Aug-24 £'000	52 week period ended 27-Aug-23 £'000
Unrealised gains / (loss) on revaluation of heritage assets	**1,281**	-
Gains / (Loss) on heritage assets	**1,281**	-

13. Intangible fixed assets

Group and Charity	Computer Software £'000
Cost	
At beginning of period	8,111
Additions	463
Disposals	-
At end of period	8,574
Amortisation	
At beginning of period	6,584
Amortisation for period	1,073
Disposals	-
At end of period	7,657
Net book value	
At 25 August 2024	**917**
At 27 August 2023	1,527

14. Tangible fixed assets

Group	Freehold premises	Assets in the course of construction	Equipment & vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At beginning of period	209,545	2,876	95,650	308,071
Additions	2,118	1,953	6,313	10,384
Transfers	1,414	(2,454)	1,040	-
Disposals	(700)	(269)	(5,189)	(6,158)
At end of period	212,377	2,106	97,814	312,297
Depreciation and diminution in value				
At beginning of period	67,190	-	63,328	130,518
Charge for period	15,440	-	6,565	22,005
Disposals	(361)	-	(5,837)	(6,198)
At end of period	82,269	-	64,056	146,325
Net book value				
At 25 August 2024	**130,108**	**2,106**	**33,758**	**165,972**
At 27 August 2023	142,355	2,876	32,322	177,553

Charity	Freehold premises	Assets in the course of construction	Equipment & vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At beginning of period	209,545	2,876	95,627	308,048
Additions	2,118	1,953	6,314	10,385
Transfers	1,414	(2,454)	1,040	-
Disposals	(700)	(269)	(5,189)	(6,158)
At end of period	212,377	2,106	97,792	312,275
Depreciation and diminution in value				
At beginning of period	67,190	-	63,306	130,496
Charge for period	15,440	-	6,565	22,005
Disposals	(361)	-	(5,837)	(6,198)
At end of period	82,269	-	64,034	146,303
Net book value				
At 25 August 2024	**130,108**	**2,106**	**33,758**	**165,972**
At 27 August 2023	142,355	2,876	32,321	177,552

Assets in the course of construction represents projects in progress and equipment received but not placed in service before the period end (£2.1m).

In 2013, a fixed and floating charge lasting 30 years was provided as security for the potential repayment obligations under a grant of £10m from Arts Council England for capital projects.

14. Tangible fixed assets (continued)

In October 2014, a first deed of mortgage over the Bob and Tamar Manoukian Costume Centre and by way of first fixed charge, all its present and future plant and machinery on or serving the Property (apart from the mortgage charge) and the rents *(if any)* was provided as security for a loan of £1.5m from the Thurrock Borough Council. The current balance of the loan is £1.18m. The net book value of the Bob and Tamar Manoukian Costume Centre at 25 August 2024 was £3.9m *(27 August 2023: £4.0m)*.

As part of the actuarial valuation of the pension scheme (see note 24), the Trustees secured a charge on the Royal Ballet and Opera's main self-occupied property to help cover the cost of transferring the Scheme's liabilities to an insurance company *(up to the amount of £64.4m)* if the Royal Ballet and Opera became insolvent.

15. Heritage assets

(a) Tangible fixed assets – heritage assets

	Fine art	Costumes & accessories	Other collections	Total 25 August 2024
Unrestricted Funds Group and Charity ***Cost or valuation***	**£'000**	**£'000**	**£'000**	**£'000**
At beginning of period	3,030	1,477	1,515	6,022
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	1,281	-	-	1,281
At end of period	**4,311**	**1,477**	**1,515**	**7,303**
At beginning of period	3,030	1,477	1,515	6,022

The external valuers for the Royal Ballet and Opera, Gurr Johns, valued the entirety of the fine art collection in August 2024, on the basis of retail replacement values (RRV). RRV represents the value used for insurance, based on replacement in the retail market, or where appropriate in the second-hand retail market with items of a similar nature, age, condition and quality. The next valuation is expected to be completed in 2027.

Costumes and accessories and other collections have internal valuations. Where the valuation is internal, it has been provided by Julia Creed, Head of Collections. Julia Creed has a Master's degree in Archives and Records Management and has worked as an archivist at the Royal Ballet and Opera since 2004; since April 2015 she has been Head of Collections. Costumes and accessories and other collections were last valued between August 2015 and August 2017. These collections are not valued more regularly due to the time and cost involved in the valuation process.

15. Heritage assets (continued)

(b) Five year financial summary of heritage asset transactions:

Unrestricted Funds	25 August 2024 £'000	27 August 2023 £'000	28 August 2022 £'000	29 August 2021 £'000	30 August 2020 £'000
Purchases/Commissions					
Fine art	-	-	-	-	-
Costumes & accessories	-	-	-	-	-
Other collections	-	-	-	-	-
Donations					
Fine art	-	-	-	-	-
Costumes & accessories	-	-	-	-	-
Other collections	-	-	262	88	-
Disposals					
Fine art	-	-	-	(11,275)	-
Costumes & accessories	-	-	-	-	-
Other collections	-	-	-	-	-
Proceeds from disposals					
Fine art	-	-	-	11,275	-
Costumes & accessories	-	-	-	-	-
Other collections	-	-	-	-	-
Total additions	**-**	**-**	**262**	**88**	**-**

(c) Further information on Heritage Assets:

The Royal Ballet and Opera maintains three collections as follows:

The fine art collection consists of paintings, other pictures and drawings, furniture, furnishings, sculpture and pottery that have been donated and are on public display throughout the Royal Opera House.

The costumes and accessories collection consists of over 4,000 individual items worn by artists at the Royal Opera House. The collection contains some items from the late 19th and early 20th centuries, but most date from 1946 to the present. The majority of the collection is costumes, with a sizeable number of hats, headdresses and jewellery, and a growing number of shoes, boots and wigs.

Other collections include photographic collections, design collections, a portrait of Pavarotti and an autographed Donizetti score for *Elisabetta,* none of which are on permanent public display.

All assets are maintained and managed through the heritage asset register which is overseen by the Head of Collections.

Most new acquisitions are made through donation. A limited number of acquisitions are purchased where assets enhance the overall collections maintained by the charity. The Royal Ballet and Opera would not normally dispose of any heritage assets in their normal course of business.

The preservation of assets is the responsibility of the Head of Collections who holds an annual budget to maintain the quality of the assets.

The Charity exhibits assets throughout the Royal Opera House and through exhibitions. In addition, many assets may be viewed electronically through the catalogue website at www.rohcollections.org.uk.

16. Investments

(a) Group: The following investments were held through the Royal Opera House Endowment Fund 2000 at period end:

	Group 25 August 2024 £'000	Group 27 August 2023 £'000
Held with investment managers:		
- Venture funds	**108**	129
- Quoted equities	**35,250**	12,642
- Hedge funds	**5**	5
- Bonds	**10,049**	12,309
- Cash funds	**145**	9,567
- Gold	**-**	3,623
Total investment with Investment Managers	**45,557**	38,275

Movements in investments held with investment managers:

	Listed Investments £'000	**Other investments £'000**	**Total 25 August 2024 £'000**
Endowment Funds			
Fair value at beginning of period	38,063	212	**38,275**
Additions (at cost)	42,088	3	**42,091**
Disposals	(39,426)	-	**(39,426)**
Net realised and unrealised losses	4,634	(17)	**4,617**
Fair value at end of the period	45,359	198	**45,557**
Historical cost at end of the period	42,000	193	42,193

	Listed investments £'000	**Other investments £'000**	**Total 27 August 2023 £'000 Total**
Endowment Funds			
Fair value at beginning of period	37,957	469	**38,426**
Additions (at cost)	1	-	**1**
Disposals	-	(205)	**(205)**
Net realised and unrealised gains	105	(52)	**53**
Fair value at end of the period	38,063	212	**38,275**
Historical cost at end of the period	34,676	761	35,437

As at 31 August 2024 investments held with investment managers are measured at fair value, £45.4m (2023: £38.1m) categorised as Level 1 and £0.2m (2023: £0.2m) as Level 3.

16. Investments (continued)

(b) Charity: The following were the subsidiary undertakings of Royal Opera House Covent Garden Foundation as at 25 August 2024:

	Country of incorporation	Principal activity	Percentage of shares held
Subsidiary undertaking			
ROH Holdings Limited	UK	Holding company	100%
ROH Developments Limited	UK	Property development	100%
ROH Pension Trustee Limited	UK	Trustee company	100%
ROH Productions Limited	UK	Theatre productions	100%
Royal Opera House Enterprises Limited	UK	Catering / Sponsorship / Multimedia production and distribution/ Retail / Venue Hire / Licensing of brand	100%

The issued share capital in ROH Holdings Limited (which is the holding company for ROH Developments Limited) is 2 £1 shares.

ROH Pension Trustee Limited is a non-trading subsidiary. The issued share capital is 100 £1 shares.

ROH Productions Limited has been dormant since incorporation.

The issued share capital in Royal Opera House Enterprises Limited is 125,987 £1 shares *(125,987 £1 shares at 27 August 2023).* The remaining balance is related to the original acquisition of Royal Opera House Enterprises Limited.

The Royal Opera House Endowment Fund 2000 is a connected charity of the Royal Opera House Covent Garden Foundation. See Note 2 for further details.

Investment in Royal Opera House Enterprises Limited:

Unrestricted Funds	**Charity 25 August 2024 £'000**	**Charity 27 August 2023 £'000**
Cost		
At beginning and end of period	**6,676**	**6,676**
Net book value		
At beginning of period	**6,676**	**6,676**
At end of period	6,676	6,676

17. Stocks

	Group 25 August 2024 £'000	Group 27 August 2023 £'000	**Charity 25 August 2024 £'000**	Charity 27 August 2023 £'000
Goods for resale	**461**	324	**-**	-
	461	324	**-**	-

During the 52-week period ended 25 August 2024 £865,310 *(52 week period ended 27 August 2023: £742,670)* of stock was expensed through the Statement of Financial Activities.

18. Debtors

	Group 25 August 2024	Group 27 August 2023	Charity 25 August 2024	Charity 27 August 2023
	£'000	£'000	£'000	£'000
Amounts due after more than one year				
Prepayments	-	717	-	-
	-	717	-	-

	Group 25 August 2024	Group 27 August 2023	Charity 25 August 2024	Charity 27 August 2023
	£'000	£'000	£'000	£'000
Amounts due within one year				
Trade debtors	**3,821**	4,763	**2,239**	1,862
Amounts due from subsidiary and associated undertakings	-	-	**3,090**	2,903
Accrued income	**21,466**	22,086	**20,202**	21,588
Other debtors	**1,407**	1,703	**1,407**	1,703
Prepayments	**2,974**	2,118	**1,723**	1,626
Finance lease debtor	-	-	-	84
	29,668	30,670	**28,661**	29,766

19. Creditors

Amounts falling due within one year

	Group 25 August 2024	Group 27 August 2023	Charity 25 August 2024	Charity 27 August 2023
	£'000	£'000	£'000	£'000
Trade creditors	**7,320**	4,811	**6,364**	4,507
Taxation and social security	**2,305**	5,629	**1,725**	5,244
Accruals	**10,664**	11,896	**10,043**	11,106
Deferred income	**25,367**	24,478	**25,012**	23,687
	45,656	46,814	**43,144**	44,544

	Group 25 August 2024	Group 27 August 2023	Charity 25 August 2024	Charity 27 August 2023
	£'000	£'000	£'000	£'000
Deferred income at start of period	**24,478**	21,906	**23,687**	21,056
Box office receipts, subscription and donations received	**74,073**	73,879	**68,479**	68,115
Released to statement of financial activities	**(73,184)**	(71,307)	**(67,154)**	(65,484)
Deferred income at end of period	**25,367**	24,478	**25,012**	23,687
Comprising:				
Advanced bookings	**13,691**	11,111	**13,691**	11,111
Subscriptions and donations	**6,379**	7,590	**6,379**	7,590
Other deferred income	**5,297**	5,777	**4,942**	4,986

19. Creditors (continued) Amounts falling due after one year

Thurrock Borough Council Loan

	52 Week Period Ended 25-Aug-24 £'000	52 Week Period Ended 27-Aug-23 £'000
Balance at the beginning of the year	**1,235**	1,280
Amounts repaid	**(102)**	(102)
Interest payable	**48**	57
Balance at the end of the year	**1,181**	1,235
Less amounts disclosed in creditors: amounts falling due within one year	**(51)**	-
Balance at the end of the year falling due after one year	**1,130**	1,235

The table below shows the amounts and timings of repayments due under the terms of the loan.

	Capital	Interest	**Total 25 August 2024**	Capital	Interest	**Total 27 August 2023**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Due within one year	51	51	**102**	49	53	**102**
Due between one year and two years	55	49	**104**	51	51	**102**
Due between two years and five years	176	131	**307**	168	139	**307**
Due after five years	899	228	**1,127**	961	269	**1,230**
	1,181	459	**1,640**	1,229	512	**1,741**

In October 2014, a first deed of mortgage over the Bob and Tamar Manoukian Costume Centre and by way of first fixed charge, all its present and future plant and machinery on or serving the Property (apart from the mortgage charge) and the rents *(if any)* was provided as security for a loan of £1.5m from the Thurrock Borough Council. The current balance of the loan is £1.18m. The net book value of the Bob and Tamar Manoukian Costume Centre at 25 August 2024 was £3.9m *(27 August 2023: £4.0m).*

19. Creditors (continued) Amounts falling due after one year

Cultural Recovery Fund Loan

	52 Week Period Ended 25-Aug-24	52 Week Period Ended 27-Aug-23
	£'000	£'000
Balance at the beginning of the year	**21,700**	21,700
Amounts drawn down	**-**	-
Amounts repaid	**-**	-
Interest payable	**-**	-
Balance at the end of the year	**21,700**	21,700
Less amounts disclosed in creditors: amounts falling due within one year	**-**	-
Balance at the end of the year falling due after one year	**21,700**	21,700

	Capital	Interest	**Total 25 August 2024**	Capital	Interest	**Total 27 August 2023**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Due within one year	-	829	**829**	-	-	**-**
Due between one year and two years	316	1,341	**1,657**	-	829	**829**
Due between two years and five years	3,781	1,191	**4,972**	2,809	2,162	**4,971**
Due after five years	17,603	2,284	**19,887**	18,891	2,654	**21,545**
	21,700	5,645	**27,345**	21,700	5,645	**27,345**

In support of arts organisations affected by the Covid-19 pandemic, the government established a Cultural Recovery Fund (CRF) offering grants to smaller organisations and loans to larger organisations. In March 2021, RBO received a loan from the CRF of £21.7m. The loan is interest bearing, at a rate of 2%, over a 20 year period and has a four year repayment holiday.

19. Creditors (continued) Amounts falling due after one year

Finance Leases

	52 Week Period Ended 25-Aug-24 £'000	52 Week Period Ended 27-Aug-23 £'000
Balance at the beginning of the year	**156**	12
Amounts drawn down	**-**	149
Amounts repaid	**(31)**	(6)
Interest payable	**12**	1
Balance at the end of the year	**137**	156
Less amounts disclosed in creditors: amounts falling due within one year	**(21)**	-
Balance at the end of the year falling due after one year	**116**	156

	Capital	Interest	**Total 25 August 2024**	Capital	Interest	**Total 27 August 2023**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Due within one year	21	10	**31**	19	12	**31**
Due between one year and two years	22	9	**31**	21	10	**31**
Due between two years and five years	69	15	**84**	67	21	**88**
Due after five years	25	1	**26**	49	4	**53**
	137	35	**172**	156	47	**203**

20. Statement of Funds – Group

	At 27 August 2023	Incoming Resources	Outgoing Resources	Other gains/ (losses)	Transfers	Note	At 25 August 2024
	£'000	£'000	£'000	£'000	£'000		£'000
Unrestricted General fund	4,200	150,807	(150,728)	-	(133)	a-d,f	4,146
Unrestricted Revaluation fund	389	-	-	1,281	-		1,670
Unrestricted Designated funds:							
Unrestricted Fixed Asset Fund	170,496	-	-	-	(8,915)	a	161,581
Unrestricted Heritage Asset Fund	5,633	-	-	-	-		5,633
Unrestricted Future Projects Fund	42,173	-	-	-	18,872	b	61,045
Unrestricted Funds before pension reserve	**222,891**	**150,807**	**(150,728)**	**1,281**	**9,824**		**234,075**
Unrestricted: pension scheme liability	**(12,804)**	**-**	**605**	**325**	**-**		**(11,874)**
Total unrestricted funds	**210,087**	**150,807**	**(150,123)**	**1,606**	**9,824**		**222,201**
Restricted funds:							
Thurrock Capital Fund	8,630	-	-	-	(324)	c	8,306
Production Fund	-	10,943	(10,943)	-	-		-
Open Up Project Fund	-	500	-	-	(500)	d	-
Arts Council England Bridge programme fund	272	673	(667)	-	-		278
Arts Council England China skills exchange	148	-	(25)	-	-		123
ROH Holdings Limited	105	14	-	-	-		119
Endowment Restricted Income Fund	-	475	(514)	-	60	e	21
Learning and Participation	-	3,570	(3,482)	-	-		88
Capital	-	9,000	-	-	(9,000)	f	-
Other Projects	81	4,626	(4,626)	-	-		81
Total restricted funds	**9,236**	**29,801**	**(20,257)**	**-**	**(9,764)**		**9,016**
Endowment funds	**52,348**	**1,334**	**(1,559)**	**4,617**	**(60)**	e	**56,680**
Total funds	**271,671**	**181,942**	**(171,939)**	**6,223**	**-**		**287,897**

Unrestricted Funds: Unrestricted funds are segregated between general funds (representing free reserves and unrestricted general funds held in trading subsidiaries) and designated funds. The three designated funds at period end were the Fixed Asset Fund which is set at a level equivalent to the charity's fixed assets and intangible fixed assets (plus approved capital expenditure in the 2023/24 Season carried over to the 2023/24 Season), the Heritage Asset Fund which is equivalent to the charity's heritage assets and the Designated Future Projects Fund. The Designated Future Projects Fund represents funds earmarked for specific future activity, including our capital investment needs over the next two financial years (£41.7m), investment in the artistic programme and new works (£10.3m), and funds to bridge the financial gap as we grow our revenue streams and realise savings from our programme of business transformation (£9m). The pension scheme liability is disclosed in accordance with FRS 102.

20. Statement of Funds – Group (continued)

Restricted Funds: The Thurrock Capital Fund has been established to hold funding received in the development of both the Bob and Tamar Manoukian Production Workshop and the Bob and Tamar Manoukian Costume Centre in Thurrock. The Production Fund represents donations received which are restricted for the purpose of specific productions. The Open Up Project Fund has been established to hold funding received towards the Open Up Project, a capital project intended to enhance audiences' experience of our work and inspire wider interest and engagement. The Bridge Programme Fund represents funding received from Arts Council England for improving the delivery of arts opportunities for children and young people, acting as a bridge between the arts and education sectors in Thurrock, Essex, Southend, Hertfordshire, Bedfordshire, Luton and North Kent. The Endowment Restricted Income Fund represents funds expendable on specific purposes as required by donors. The Learning and Participation Fund represents donations received which are restricted for the purpose of Learning, Participation and Education projects. The Capital Fund represents donations received which are restricted to capital expenditure. The Other Projects Fund represents other restricted donations received.

Endowment Funds: The balance above represents restricted permanent and expendable capital reserves held by ROH Endowment Fund 2000.

Transfers:

(a) There was a transfer of £8.9m from the Unrestricted Fixed Asset Fund to the Unrestricted General Fund, representing a transfer for the net decrease in the charity's tangible fixed assets *(52 week period ended 27 August 2023: £2.1m).*

(b) A net transfer of £18.9m *(52 week period ended 27 August 2023: £12.0m)* was made to Other Designated Funds. The transfer to Other Designated Funds represents funds for specific future projects.

(c) Depreciation and loss on disposal of £0.3m (52 week period ended 27 August 2023: £0.1m) was charged against unrestricted income then matched by a transfer from restricted funds. Restricted funds include those funds that have been granted specifically to finance the capital expenditure on the Bob and Tamar Manoukian Production Workshop and the Bob and Tamar Manoukian Costume Centre.

(d) There was a transfer from Restricted Funds of £0.5m, representing amounts received for the Open Up project *(52 week period ended 27 August 2023: £0.5m).*

(e) Net transfers of £0.06.m *(52 week period ended 27 August 2023: £0.03m transfer from Endowment Funds to Unrestricted Funds)* were made to Restricted Funds from Endowment Funds to reinvest income into the Endowment Funds and pay grants.

(f) A transfer of £9.0m *(52 week period ended 27 August 2023:nil)* represents restricted donations received and expensed in the period for capital expenditure.

20. Statement of Funds - Charity

	At 27August 2023	Incoming Resources	Outgoing Resources	Other gains/ (losses)	Transfers		At 25 August 2024
	£'000	£'000	£'000	£'000	£'000	Note	£'000
Unrestricted General fund	4,671	134,429	(134,296)	-	(133)	a-d,f	4,671
Unrestricted Revaluation fund	389	-	-	1,281	-		1,670
Unrestricted Designated funds:							
Unrestricted Fixed Asset Fund	176,276	-	-	-	(8,915)	a	167,361
Unrestricted Heritage Asset Fund	5,633	-	-	-	-		5,633
Unrestricted Future Projects Fund	42,173	-	-	-	18,872	b	61,045
Unrestricted Funds before pension reserve	**229,142**	**134,429**	**(134,296)**	**1,281**	**9,824**		**240,380**
Unrestricted: pension scheme liability	**(12,804)**	**-**	**605**	**325**	**-**		**(11,874)**
Total unrestricted funds	**216,338**	**134,429**	**(133,691)**	**1,606**	**9,824**		**228,506**
Restricted funds:							
Thurrock Capital Fund	8,623	-	-	-	(324)	c	8,299
Production Fund	-	11,673	(11,673)	-	-		-
Open Up Project Fund	-	500	-	-	(500)	d	-
Arts Council England Bridge programme fund	272	673	(667)	-	-		278
Arts Council England China skills exchange	148	-	(25)	-	-		123
Learning and Participation	-	4,151	(4,063)	-	-		88
Capital	-	9,000	-	-	(9,000)	f	-
Other Projects	82	5,623	(5,622)	-	-		83
Total restricted funds	**9,125**	**31,620**	**(22,050)**	**-**	**(9,824)**		**8,871**
Total funds	**225,463**	**166,049**	**(155,741)**	**1,606**	**-**		**237,377**

21. Share capital

The charity is limited by guarantee and therefore has no share capital. The liability of the members of the charity is limited to £1 each. At 25 August 2024 there were 16 members *(27 August 2023: 16).*

22. Connected charities and other related party transactions

Connected charities

Royal Opera House Endowment Fund 2000 - registered charity No 1089928

During the period the charity received grants of £2.3m *(52 week period ended 27 August 2023: £2.3m)* from Royal Opera House Endowment Fund 2000 in furtherance of its charitable objectives. At 25 August 2024, the charity owed £0.00m to the Royal Opera House Endowment Fund 2000 *(27 August 2023: £0.02m).* At 25 August 2024, the Royal Opera House Endowment Fund 2000 owed £0.04m to the charity *(27 August 2023: £0.00m).*

The above charity is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

22. Connected charities and other related party transactions (continued)

Trading subsidiaries

Royal Opera House Enterprises Limited

During the period the charity received a loan repayment of £0.2m *(52 week period ended 27 August 2023: £0.2m),* a royalty payment of £0.8m *(52 week period ended 27 August 2023: £1.1m)* and a gift aid payment of £5.9m *(52 week period ended 27 August 2023: £4.9m)* from Royal Opera House Enterprises Limited. Additionally, £0.9m of overhead were recharged from the charity to Royal Opera House Enterprises Limited *(52 week period ended 27 August 2023: £0.8m)*. At 25 August 2024, Royal Opera House Enterprises Limited owed £3.0m to the charity *(27 August 2023: £2.9m).*

In January 2010, Royal Opera House Enterprises Limited (as borrower) and its holding company, Royal Opera House Covent Garden Foundation (Limited by Guarantee), entered into an inter-company loan. The unsecured loan bears interest at 2% above the Bank of England base rate, which management assess to be a commercial rate of interest. Due to the commercial rate of interest, the present value of the future cash flows approximates the carrying amount and thus the loan presents no current pricing risk. As the interest rate is a variable rate, the lender and borrower are exposed to interest rate risk. The final payment of this loan was made in the 52 week period ended 25 August 2024.

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Royal Opera House Holdings Limited

During the period the charity received £5,000 *(52 week period ended 27 August 2023: £5,000)* from Royal Opera House Development Limited in respect of audit fees. At 25 August 2024, Royal Opera House Holdings Limited owed £12,000 to the charity *(27 August 2023: £17,000).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Royal Opera House Developments Limited

During the period the charity received nil gift aid payments *(52 week period ended 27 August 2023: £5,877)* from Royal Opera House Development Limited in furtherance of its charitable objectives. The company's profits of £14,316 will be gift aided to the charity in the nine months following the signing of these accounts. At 25 August 2024, Royal Opera House Developments Limited owed £0.1m to the charity *(27 August 2023: £0.1m).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

The charity undertakes transactions in its normal course of business with its subsidiaries. These transactions are carried out on an arms-length basis.

22. Connected charities and other related party transactions (continued)

Other related party transactions

No trustee had an interest in any contract or transaction with the charity or its subsidiaries in the period ended 25 August 2024. During the period no trustees received any remuneration from the charity or its subsidiaries and no trustees were reimbursed for personally-incurred expenses which were necessary to carry out trustee duties (2022: nil). The aggregate amount of unrestricted donations received from trustees was £3.2m *(52 week period ended 27 August 2023: £2.8m)*. Of this amount, £2.6m *(52 week period ended 27 August 2023: £2.5m)* was received from trustees of the ROH Endowment Fund 2000. The charity undertook these transactions in its normal course of business. These transactions are carried out on an arms-length basis.

23. Commitments

(a) The Group has future minimum commitments under non-cancellable operating leases as follows:

	25 August 2024 Land and Buildings £'000	27 August 2023 Land and Buildings £'000
Operating leases payable:		
Not later than one year	**1**	1
Later than one year and not later than five years	**5**	5
Later than five years	**140**	141
	146	147

(b) The group has entered into contracts with guest artists and suppliers in respect of future productions to be staged at the Royal Ballet and Opera. Commitments in respect of these contracts which are not reflected in the balance sheet are:

	25 August 2024 £'000	27 August 2023 £'000
Less than one year	**7,940**	7,689
In the second to fifth years inclusive	**4,280**	3,618
	12,220	11,307

(c) The group had capital commitments of £4.778m for capital projects which were not reflected in the balance sheet in period ended 25 August 2024 *(27 August 2023: £2.541m)*.

24. Pension scheme

The Royal Ballet and Opera operates a defined benefit pension scheme, the Royal Opera House Pension Scheme. The Scheme's funds are administered by the Trustee and are independent of RBO's finances. Contributions are paid to the Scheme in accordance with the Schedule of Contributions agreed between the Trustee and RBO.

The group also contributes to five defined contribution schemes. Two are sponsored by Arts Council England and Equity (for dancers and singers) and one by the Musicians' Union (for musicians). Two further defined contribution scheme arrangements exist for other staff groups. Contributions to these and other schemes amounted to £2.872m *(52 week period ended 27 August 2023: £2.662m).*

The funding plan is for the Scheme to hold assets equal to the value of the benefits earned by staff, based on a set of assumptions used for funding the Scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the Royal Ballet and Opera and Trustee agree on deficit contributions to meet this deficit over a period. As a part of the actuarial valuation with an effective date of 5 April 2021 the Trustee and the Royal Ballet and Opera have agreed that the Royal Ballet and Opera will make contributions to the scheme of £1.343m per annum from 31 July 2022 until 31 January 2037, increasing by 3.5% per annum. The Royal Ballet and Opera also makes contributions of £0.3m per annum to cover the expenses of running the Scheme.

The results of the formal actuarial valuation as at 5 April 2021 were updated to the accounting date by an independent qualified actuary in accordance with FRS 102, allowing for contributions, benefit payments made, and changes in market conditions. The results, based on assumptions used for FRS102, are as follows:

The amount included in the balance is as follows:

	25 August 2024	27 August 2023
	£'000	£'000
Fair value of plan assets	**52,867**	49,506
Present value of defined benefit obligation	**(64,741)**	(62,310)
Net liability recognised in the balance sheet	**(11,874)**	(12,804)

The movement in net defined benefit liability is as follows:

	52 week period ended 25-Aug-24	52 week period ended 27-Aug-23
	£'000	£'000
Opening net defined benefit liability	**12,804**	14,178
Cost in income and expenditure	**1,121**	1,238
Employer contributions	**(1,726)**	(1,678)
Amount recognised outside income and expenditure	**(325)**	(934)
Closing net defined benefit liability	**11,874**	12,804

24. Pension scheme (continued)

The amounts recognised in income or expenditure, in the Statement of Financial Activities are as follows:

	52 week period ended 25-Aug-24	52 week period ended 27-Aug-23
	£'000	£'000
Past service cost	**-**	-
Administration expenses	**475**	690
Interest expense	**646**	548
Total expense recognised in income or expenditure	**1,121**	1,238

Movement in present value of defined benefit obligation is as follows:

	52 week period ended 25-Aug-24	52 week period ended 27-Aug-23
	£'000	£'000
Opening defined benefit obligation	**(62,310)**	(75,888)
Past service cost	**-**	-
Interest on obligation	**(3,223)**	(2,974)
Actuarial gains / (losses)	**(2,258)**	13,432
Benefits paid	**3,050**	3,120
	(64,741)	(62,310)

Movement in the fair value of the plan assets is as follows:

	52 week period ended 25-Aug-24	52 week period ended 27-Aug-23
	£'000	£'000
Opening fair value of plan assets	**49,506**	61,710
Interest on plan assets	**2,577**	2,426
Actual return less interest on plan assets	**2,583**	(12,498)
Administration expenses	**(475)**	(690)
Contributions by the employer	**1,726**	1,678
Benefits paid	**(3,050)**	(3,120)
Closing fair value of plan assets	**52,867**	49,506

24. Pension scheme (continued)

The current allocation of the Scheme's assets is as follows:

	25 August 2024 Fair value	27 August 2023 Fair value	28 August 2022 Fair value
Asset distribution and expected return	**£'000**	£'000	£'000
Equities	**5,840**	5,033	24,664
Bonds	**15,950**	14,383	12,661
Property	**3,080**	3,814	5,506
Infrastructure	**8,106**	7,378	-
Diversified Growth Fund	**-**	-	15,601
Liability Driven Investment Fund	**17,406**	15,185	21,294
Cash and net current assets	**2,485**	3,713	536
Total	**52,867**	49,506	61,710

The Scheme does not invest directly in property occupied by the charity or in financial securities issued by the charity.

The following table sets out the significant assumptions used for the plan:

Assumptions	**25 August 2024**	27 August 2023	28 August 2022
Retail Prices Index Inflation	3.10%	3.30%	3.60%
Consumer Prices Index Inflation	2.40%	2.40%	2.70%
Discount rate	4.90%	5.30%	4.00%
Pension increases (according to increases under the scheme rules)	2.5/3.4/3.0/2.1% pa	2.5/3.5/3.1/2.1% pa	2.5/3.7/3.4/2.2% pa
Salary growth	n/a	n/a	n/a
Life expectancy of female / male aged 65 at the accounting date	23.9/21.2 years	24.1/21.5 years	24.4/21.8 years
Life expectancy of female / male aged 65 at 20 years from the accounting date	25.3/22.4 years	25.5/22.7 years	25.7/23.0 years

Future agreed contributions from the employer to be made to fund the deficit of the defined benefit scheme are as follows:

	£'000
Due within one year	1,979
Due between one year and two years	2,049
Due between two years and five years	5,805
Due after five years	17,284

25. Consolidated statement of financial activities *for the 52 week period ended 27 August 2023*

	Note	Total Unrestricted Funds	Restricted Funds	Endowment Funds	52 week period ended 27-Aug-23 Total Funds	52 week period ended 28-Aug-22 Restated Total Funds
		£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Charitable activities						
Operation of Royal Opera House (including box office)	3	**80,292**	**-**	**-**	**80,292**	51,007
Grant from Government		**-**	**-**	**-**	**-**	18
Donations and legacies						
Donations, legacies and similar incoming resources	4	**19,115**	**14,974**	**914**	**35,003**	37,092
Grants from Arts Council England	5	**23,553**	**749**	**-**	**24,302**	25,212
Other trading activities						
Commercial trading income	6	**20,882**	**-**	**-**	**20,882**	14,841
Investments	7	**2,731**	**388**	**-**	**3,119**	743
Other Income	8	**799**	**-**	**6,300**	**7,099**	**-**
Total income and endowments		**147,372**	**16,111**	**7,214**	**170,697**	128,913
Expenditure on:						
Raising Funds						
Generating voluntary income	9	**(5,201)**	**-**	**(270)**	**(5,471)**	(4,632)
Commercial activities	9	**(13,979)**	**-**	**-**	**(13,979)**	(10,706)
Charitable activities						
Productions, sales and operations	9	**(118,334)**	**(15,967)**	**(1,006)**	**(135,307)**	(117,803)
Total expenditure	10	**(137,514)**	**(15,967)**	**(1,276)**	**(154,757)**	(133,141)
Net (expenditure) / income		**9,858**	**144**	**5,938**	**15,940**	(4,228)
Net gain / (loss) on investments	12	**-**	**-**	**52**	**52**	(648)
Net income / (expenditure)		**9,858**	**144**	**5,990**	**15,992**	(4,876)
Transfers between funds	20	**577**	**(548)**	**(29)**	**-**	-
Other recognised gains						
Actuarial gain on the defined benefit pension scheme	24	**934**	**-**	**-**	**934**	15,196
Net movement in funds		**11,369**	**(404)**	**5,961**	**16,926**	10,320
Fund balances brought forward at 28 August 2022 as previously stated		**198,718**	**11,222**	**44,805**	**254,745**	244,425
Restatement		**-**	**(1,582)**	**1,582**	**-**	-
Fund balances brought forward at 28 August 2022 restated		**198,718**	**9,640**	**46,387**	**254,745**	244,425
Fund balances carried forward at 27 August 2023	20	**210,087**	**9,236**	**52,348**	**271,671**	254,745

26. Taxation

UK corporation tax charge and relief of £1,472,000 has arisen in Royal Opera House Enterprises Limited in the period in respect of current year profits *(52 week period ended 27 August 2023: tax charge and relief of £950,378)*. No deferred tax has arisen in the period *(52 week period ended 27 August 2023: nil)*.

THANK YOU

The Royal Ballet and Opera gratefully acknowledges the generosity of all those who have provided support this period, including:

INDIVIDUALS

Aubrey Adams, OBE
Spindrift Al Swaidi
Lady Ashcroft
Mr and Mrs Edward Atkin CBE
Christopher and Cynthia Bake
Richard Baker
Mikhail Bakhtiarov
Brendan Barns
Mr and Mrs Baha Bassatne
Geoff and Judith Batchelar
Carolin & Dietrich Becker
Greg Bethel
Pat & Dirk Bister
Georgie Black
Celia Blakey
Ingemo and Karl Otto Bonnier
Tim Ashley and John Booth
Sally and Simon Borrows
Lorna and Christopher Bown
Cecilia and Stuart Boyd
Lady Buchanan
The Bunting Family
Mr Paul Burbidge
John and Susan Burns OBE
Sue Butcher
Jonathan Caplan
Mrs Carolyn Calcutt
Max & Nicole Cartellieri
Rosemary and Simon Cock
Ricki Gail and Robert Conway
Kirsty Cooper
Anne-Marie Craven
Peggy Czyzak Dannenbaum
Jessica de Rothschild
Sir Lloyd and Lady Dorfman OBE
Carolyn and Michael Portillo
Peter and Fiona Espenhahn
Ailsa and Jonathan Feroze
Nicky Fletcher
Graham S Fletcher
Louise Fluker
Aline Foriel-Destezet
Sophie and Hamish Forsyth
Louise Baring and Eric Franck
David Fransen
Philipp Freise
Gini Gabbertas
Howard Gatiss
Nicholas and Sylvia Gee
Alex and Elena Gerko
Charles Glanville & James Hogan
Whitney Gore and Pierre Chaboussant
Joan Granlund
Kenneth and Susan Green
Karen Green
Sherry and Michael Guthrie
Sandra and Anthony Gutman
Charles and Kaaren Hale
Guy and Julia Hands
Rick and Janeen Haythornthwaite
Jane Hemstritch AO
Katrin and Christoph Henkel
Malcolm Herring
Jay Franke and David Herro
Marina Hobson OBE and The Hobson Charity
Simon and Tracey Holden
Charles Holloway OBE
Paul and Julia Horsnell
Martin and Jane Houston
Alan and Caroline Howard
Lady Joan Jarvis CBE
Aud Jebsen
Claire Jeffs
Mr and Mrs Christopher W.T. Johnston
Christopher Jones
Mrs Philip Kan
David and Clare Kershaw
Doug and Ceri King
George Kingston
Athena P S Ko
Mrs Latifa Kosta
Lord and Lady Laidlaw
Alan G. Levin
Ida Levine
Dr Gwen Lewis and Dr Jonathan Holliday
Yuanbo Liu
Stephen and Dina Lucas
Beth Madison
Bob and Tamar Manoukian
The Margulies Family
Crevan O'Grady & Jane McClenahan
John McGinn and Cary Davis
Alan McLean
Mrs Andrea Medeiros Castro
Isabelle and Adrian Mee
Bertrand and Elisabeth Meunier
Amanda and David Milne KC
Odile and Marc Mourre
Mrs Susan A. Olde OBE
Mr Stefan Sten Olsson and Mr John Tierney
Sir Antonio and Lady Pappano
Hamish Parker
Nicholas and Suzanne Peters
Cressida Pollock and Daniel Luhde-Thompson

Professor Paul Cartledge and Judith Portrait OBE
Alexis and Frances Prenn
Melinda and Donald Quintin
Michael and Joanna Richards
Yvonne and Bjarne Rieber
Jamie Ritblat
Sir Simon and Lady Robertson
Sir Simon and Lady Robey
Mrs Bonnie Robinson
Kristina Rogge
Gisbert Ruehl
Kim Samuel
Abigail Sargent
Benoît and Catherine Savoret
Louise Sheaves
Peter Simon
Susan and John Singer
The Lady Slynn of Hadley
Christopher and Sarah Smith
Mary Stassinopoulos
Rachael Stearns
Stuart and Jill Steele
Francesca Storey-Harris In memory of Judy Harris
John Sunderland and George Shishkovsky
Mrs Trevor Swete
Jennifer Taylor MBE
Dame Tina Taylor DBE
Lindsay and Sarah Tomlinson
Eric Tomsett
Professor Michael Trimble
John G. Turner & Jerry G. Fischer
Stephanie Tyrer
Elsbeth and Rijnhard van Tets
Adrienne Waterfield
Derek and Sheila Watson
Urs and Galya Weber
Simon and Glenda Weil
Maureen Wheeler
Anna and Paul White MBE
Peter Harrison and Fiona Willis
Amalaswintha Wolfsdorf
Danny and Lillan Wyler
Anonymous (10)

TRUSTS AND FOUNDATIONS

The Anson Charitable Trust
Yleana Arce Foundation
Bloomberg Philanthropies
The John Browne Charitable Trust
Don Quixote Foundation
Dunard Fund
Eggardon Trust
The Goldhammer Foundation
International Music and Art Foundation
The Jean Sainsbury Royal Opera House Fund
The Karin Brass Memorial Fund
The Kiri Te Kanawa Foundation (UK)
The Kirsh Foundation
Dr and Mrs Peter James Linden - Faith Golding Foundation
The Anthony and Elizabeth Mellows Charitable Trust
The Mohn Westlake Foundation
Oak Foundation
Orinoco Foundation
Paul Hamlyn Education Fund
Julia Rausing Trust
Rick Mather David Scrase Foundation
The Gerald and Gail Ronson Family Foundation
Rothschild Foundation
The Sargent Charitable Trust
GRoW @ Annenberg Foundation
The Big Give Trust
The Boltini Trust
The Clore Duffield Foundation
The Daniel Howard Foundation
The Deborah Loeb Brice Foundation
The Derek Butler Trust
Garfield Weston Foundation
The Gatsby Charitable Foundation
The Headley Trust
The Helen Hamlyn Trust
Huo Family Foundation
The JP Jacobs Charitable Trust
The John S Cohen Foundation
The Peter Cruddas Foundation
The Porter Foundation UK
The Robert Gavron Charitable Trust
The Thistle Trust
Thompson Family Charitable Trust
Theatre Artists Fund
TIOC Foundation
The Constance Travis Charitable Trust

CORPORATE

AllSaints
American Express Services Europe Ltd
AVIV Group
Barclays
Beacon Rock Limited
Boodles
Cazenove Capital
Chacott
CMi
Coutts & Co
Culture Shock
EMYP Studios Limited
Jimmy Choo PLC
Kirkland & Ellis LLP
Veuve Clicquot
Quintessentially
Rolex
Tripadvisor LLC

Van Cleef & Arpels
Vogue World Fund
La Prairie
Zürcher Kantonalbank

SEASON PATRONS

Mrs Alfiya Askar Abulkhair
Lady Gavron
Mrs Susan A. Olde OBE
Rolex
Rothschild & Co
In memory of Lily Safra from
Adriana and Lily
Van Cleef & Arpels
Sir Brian Williamson CBE and
Mrs Caroline Hoare
Anonymous (3)

FIRST NIGHT PATRONS

Berkeley Psychiatrists
DMGT plc
Sir Mick and Lady Barbara Davis
The Dow Clewer Foundation
Charles Holloway OBE
Anonymous (2)

AMERICAN FRIENDS OF COVENT GARDEN BOARD

Life Trustee and Chair Emerita
Mercedes T. Bass

Chair
John P. McGinn

Vice Chair
John G. Turner

Chief Executive
Royal Ballet and Opera
Alex Beard CBE

Chairman
Royal Ballet and Opera
Sir Lloyd Dorfman CVO CBE

Hon. Vice-President
Royal Ballet and Opera
Sir Simon Robey

Treasurer
G. Scott Clemons

Erika Bearman
Susan S. Braddock
Max Cartellieri
Peggy Czyzak Dannenbaum
Misook Doolittle
Lord Eatwell
HRH Princess Firyal of Jordan
Simon Freakley
Beth Wade Glynn
Lady Caroline Grainge
Joan Granlund
Frederick Iseman
Christopher Jones
Bruce Kovner
Alan G. Levin
Beth Madison
Isabelle Mee
Rebecca Morse

Legal Counsel
David A Shevlin

Secretary and Executive Director
Milena Sales

BOARD OF HONORARY DIRECTORS

Chair
Sir Lloyd Dorfman CVO CBE

Honorary Vice Chairs
The Countess of Chichester
Dame Gail Ronson
Danny Wyler

Lady Ashcroft
Tim Ashley and John Booth
Mikhail Bakhtiarov
The BAND Trust
Mercedes T. Bass
Boodles - Michael Wainwright
The Deborah Loeb Brice Foundation
Tim and Sarah Bunting
John and Susan Burns OBE
Ricki Gail Conway
Sir Mick and Lady Barbara Davis
Baron and Baroness de Gunzburg
Sir Lloyd and Lady Dorfman OBE
Aline Foriel-Destezet
David Fransen
Alex and Elena Gerko
Kenneth and Susan Green
Sandra and Anthony Gutman
Charles and Kaaren Hale
Lady Hamlyn

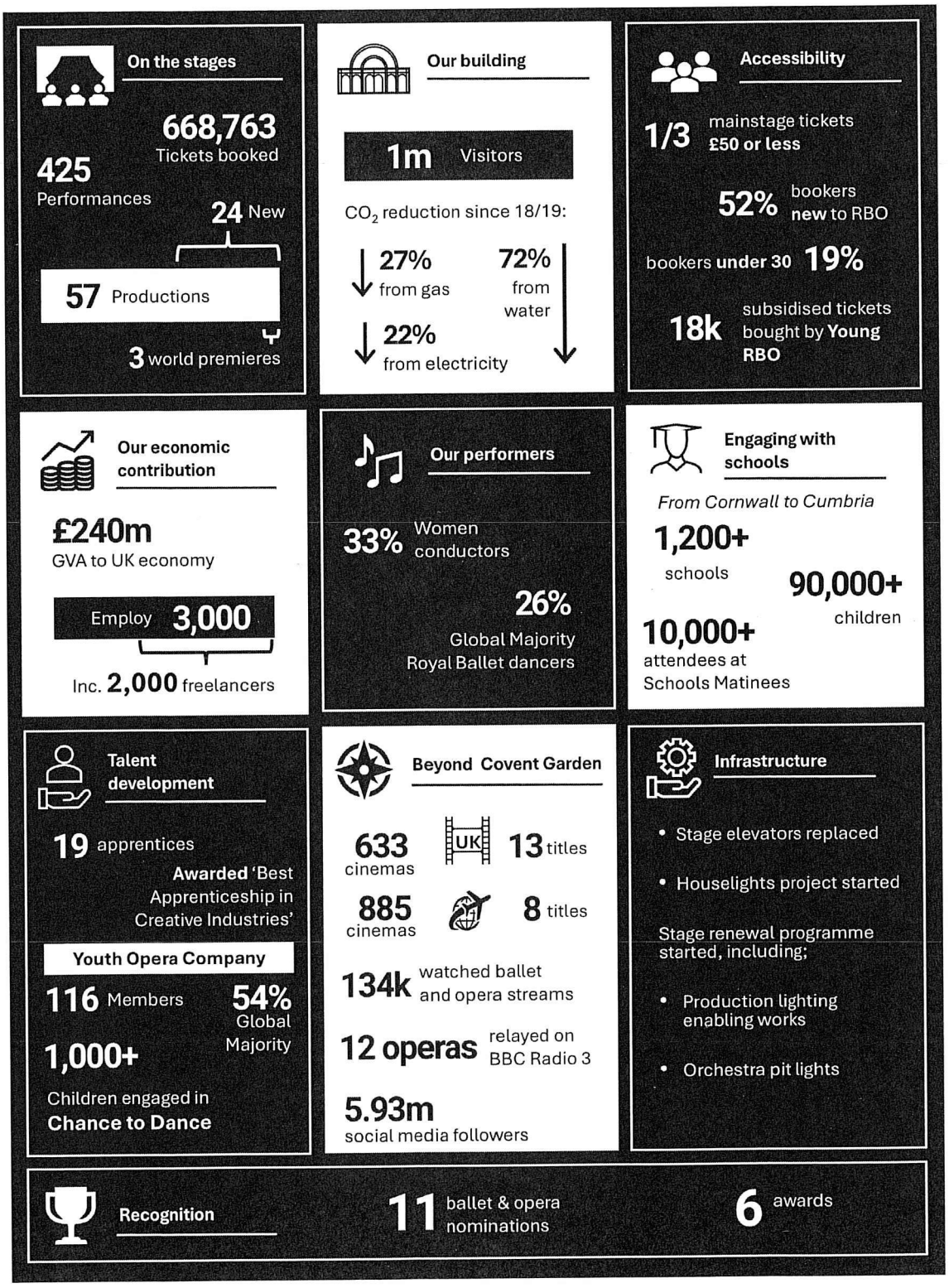
Jane Hamlyn
Lady Heywood
Dr Catherine Høgel
Charles Holloway OBE
Alan and Caroline Howard
Huo Family Foundation
Aud Jebsen
Doug and Ceri King
Frances Kirsh
Mrs Alfiya Askar Abulkhair and Timur Kuanyshev
Bob and Tamar Manoukian
Dr Patrick Mueller
Bertrand and Elisabeth Meunier
Dame Marit Mohn
Mrs Susan A. Olde OBE
Stefan Sten Olsson
Jette and Alan Parker
Natalie Parker
Melinda and Donald Quintin
Julia and Hans Rausing
Yvonne and Bjarne Rieber
Sir Simon and Lady Robertson
Sir Simon Robey
Victoria Robey OBE
Rolex – Arnaud Boetsch
The Gerald and Gail Ronson Family Foundation
Veuve Clicquot – Alexei Rosin
Lady Sainsbury of Preston Candover
Kim Samuel
Dame Tina Taylor DBE
Lindsay and Sarah Tomlinson
Van Cleef & Arpels – Geoffroy Medinger
Yleana Arce Foundation
Anonymous (4)

ROYAL BALLET & OPERA

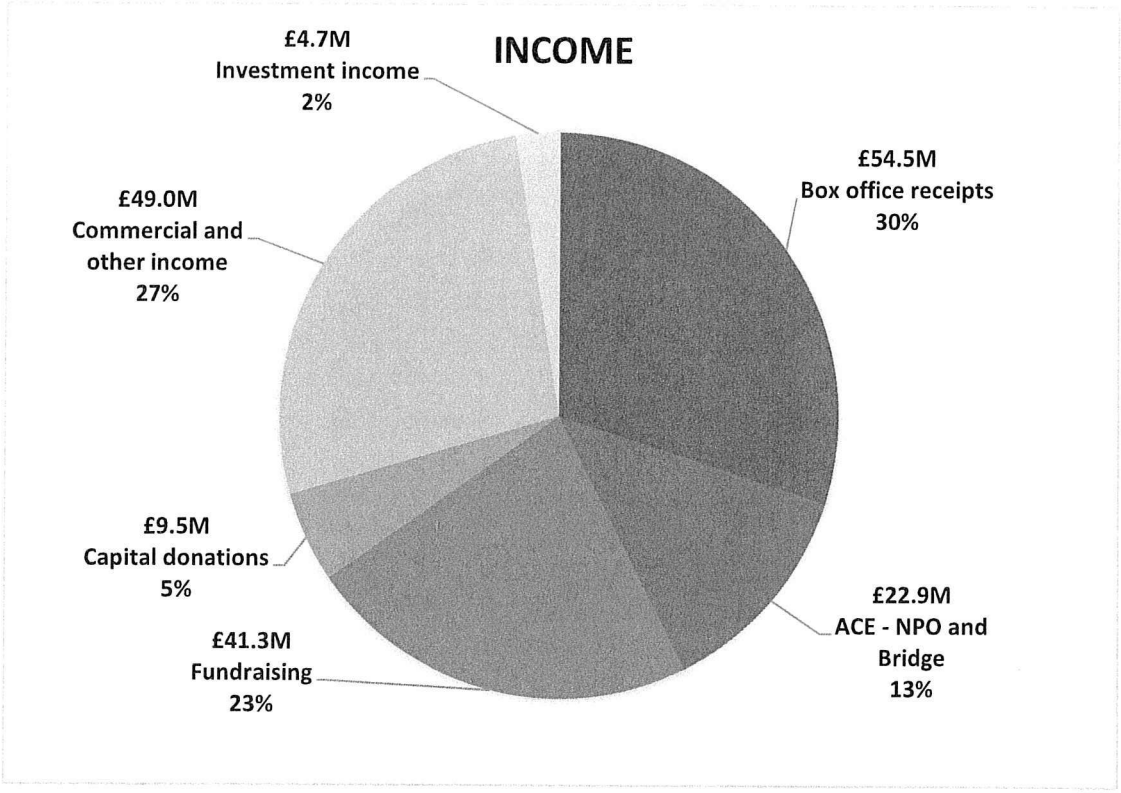
REPORT

2023/24

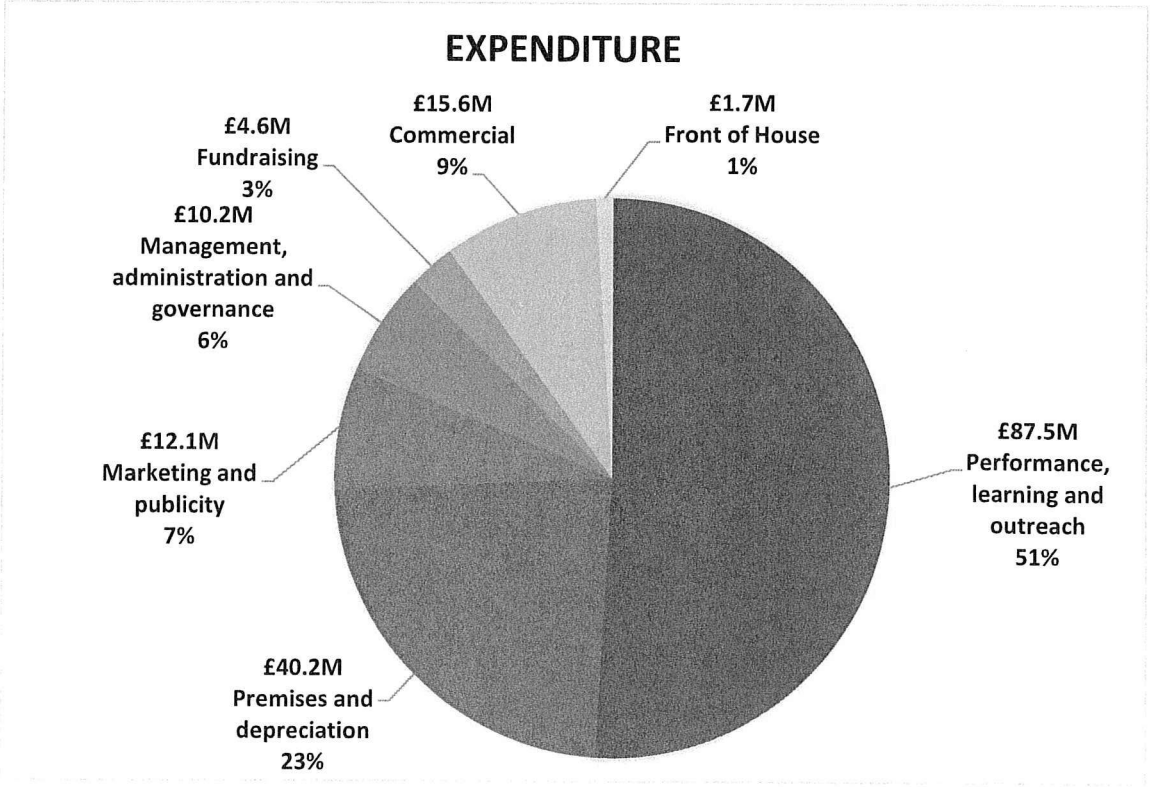
2023/24 in Summary



INCOME 2023/24

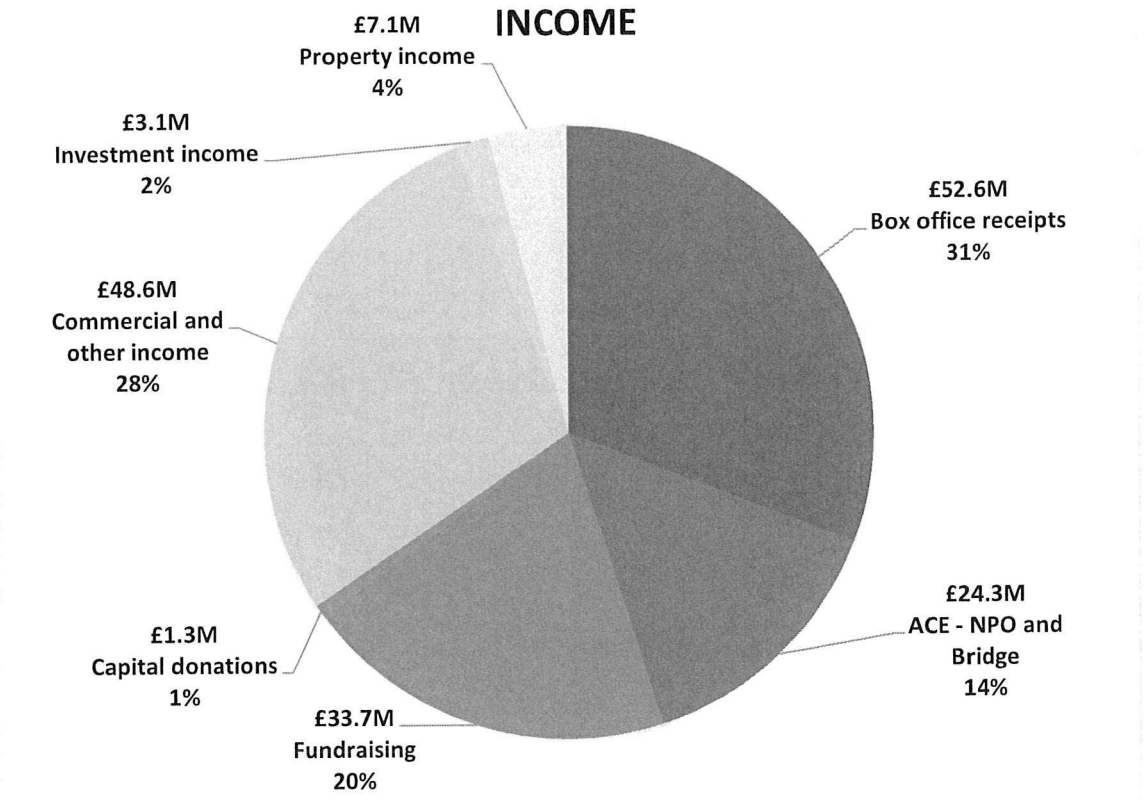


EXPENDITURE 2023/24

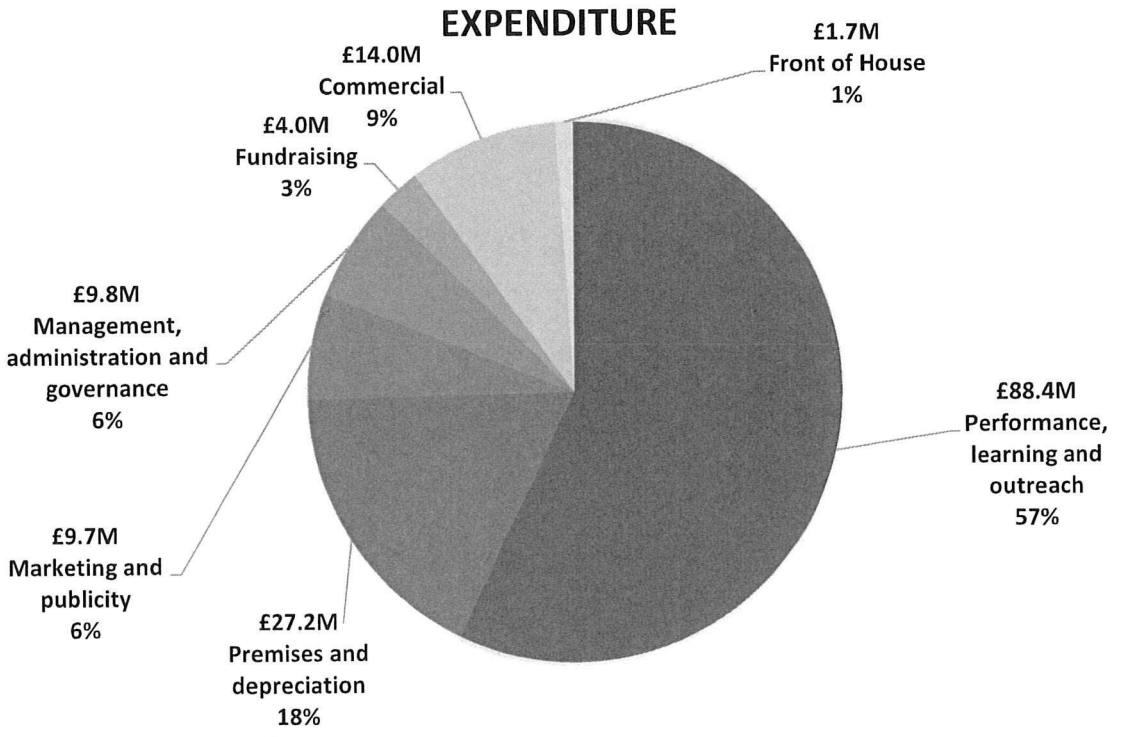


Total income £181.9m, including capital donations and funding of £9.5m. Total expenditure £171.9m, excluding capital expenditure. Figures exclude gains on investment, taxation and fund transfers.

INCOME 2022/23



EXPENDITURE 2022/23



Total income £170.7m, including capital donations and funding of £1.3m. Total expenditure £154.8m, excluding capital expenditure. Figures exclude gains on investment, taxation and fund transfers.

TIMESCALE FOR THIS REPORT

The Trustees are pleased to present their report together with the audited financial statements of the Royal Opera House Covent Garden Foundation, operating as the 'Royal Ballet and Opera' (RBO) for the 52-week period ended 25 August 2024.

The comparative period is the 52-week period ended 27 August 2023.

This document will be filed with the Charity Commission and the Registrar of Companies.

SIR LLOYD DORFMAN CVO CBE *Chair*

Welcome to the Royal Opera House Covent Garden Foundation (Limited by Guarantee) 2023/24 Annual Report.

The Royal Ballet and Opera occupies a truly unique place in the cultural heart of the United Kingdom, with influence spanning far and wide beyond our stages. It is the greatest honour to serve as Chair, and it is with huge gratitude to our donors, friends and dedicated audiences, that I reflect on the achievements of the 2023/24 Season.

This past year has been one of growth, resilience, and unwavering commitment to the artistic excellence that underpins everything we do. This is the first Annual Report in which I refer proudly to the organisation as the Royal Ballet and Opera, celebrating both our art forms to our audiences, partners and stakeholders after eighty years of residency here together.

It was a year of change as we bade farewell to Sir Antonio Pappano as Music Director of The Royal Opera. In his remarkable 22-year tenure, the dedication, exuberance and skill of Sir Tony was astonishing, and we wish him well for the next chapter of his distinguished career at the London Symphony Orchestra. He leaves the strongest of musical foundations for his successor Jakub Hrůša to build upon, and who joins us in the 2025/26 Season.

We also made significant progress with our Learning and Participation Growth Plan, widening access to ballet and opera for everyone and breaking down the historic, but still prevalent, barriers between background and opportunity. Following the successful upgrade of our Flying System, we continued our Capital Regeneration Programme this year and it is with heartfelt thanks to our generous donors who have enabled us to begin this vital work to upgrade and modernise our hardworking estate.

Whilst we celebrate the many and varied achievements over the past year, we cannot help but recognise the daunting challenges that lie ahead. Like many arts and cultural organisations, we continue to tackle headwinds in the form of rising costs, increasing pressure on box office revenues, and the need for significant investment to sustain our ageing capital infrastructure. Decisions made in the Autumn Budget to increase Employer National Insurance Contributions will add pressures to an already challenging financial outlook. In addition, 2025 will mark the first repayment of our Cultural Recovery Fund loan, so generously provided to support the effects of the Covid-19 pandemic.

These financial challenges will require careful management, but we remain confident in our ability to adapt and thrive in the face of these headwinds. We will absolutely not be able to do this without the continued generosity, commitment and unwavering support of our Friends, funders and audiences, all of whom play a critical role in the creation and sharing of the art we produce, and the wider value it brings to our society.

Whilst we work resolutely to ensure our financial stability, we do so with a shared mission to produce and nurture world class artistry in all its forms, captivating audiences with stories that transcend language and cultural barriers. It is a commitment that extends beyond our two internationally acclaimed Companies and exceptional orchestra, into classrooms and communities across the country, as well as globally through our online and cinema offering. It is a collective effort between our roster of world-class artists, talented staff and dedicated supporters to maintain the Royal Ballet and Opera as a beacon of artistic excellence.

Looking ahead, I, and the Board of Trustees, remain committed to ensuring the Royal Ballet and Opera remains at the cultural heart of the UK, delivering global impact and inspiring future audiences, artists and creatives to drive forward the exciting and prosperous future of these exceptional art forms.

I would like to take this opportunity to thank Alex Beard, his Executive Team, all the incredible artists and every member of staff at the Royal Ballet and Opera for their tireless commitment and effort in delivering another successful year for one of the most complex and productive performing arts organisations, not just in this country, but the world.

And, finally, huge thanks to my fellow Board Trustees who give so generously of their time and experience in support of this very precious, world-leading institution.

Sir Lloyd Dorfman CVO CBE
25 March 2025

ALEX BEARD CBE *Chief Executive*

This report reflects upon a 2023/24 Season of significant organisational and artistic achievement.

More than one million people visited our Covent Garden home with millions more enjoying performances on our stages, in cinemas and through broadcast media. Reinterpretations of classics attracted more first-timers than ever before, and thanks to the 100,000 people on our Young RBO scheme, the average age of our audience is significantly lower than a decade ago. Whether it is welcoming audiences from across the globe to experience magic on our stages or inspiring creativity in classrooms across the UK, the Royal Ballet and Opera celebrates everything that the arts bring to the UK and beyond.

We invested in future skills with the number of participants doubling both in our Learning and Participation programmes and our sector leading and award-winning apprenticeships. Artistic talent development went from strength to strength with the number of members at record highs for our Jette Parker Artist, Aud Jebsen Young Dancer, Overture, Youth Opera Company and Chance to Dance Programmes. We remain the largest employer of artists and creatives in the UK performing arts sector, and our graduating apprentices join more than 1,000 full or part time staff, alongside a 2,000 strong community of contractors, freelancers or commissioned staff who regularly work here.

2023/24 saw the next phase commence of a renewal programme to upgrade end-of-life infrastructure last updated in the 1990s. Projects included the replacement of auditorium houselights to LED, the completion of our surtitle upgrade and enabling works for the complete replacement and renewal of the production lighting rig in coming seasons. Transformation beyond the stage included upgrades to power installations, unifying IT networks, lift and escalator upgrades and urgent repairs to our beautiful Grade I listed building.

On stage, The Royal Ballet Season opened with a special performance of *Don Quixote*, attended by Their Majesties The King and Queen, to celebrate the achievements of an invited audience of workers from the Heath and Charity sectors, marking the 75th year of the NHS.

The Company showed anew how the genius of Founder Choreographer Frederick Ashton and Principal Choreographer Kenneth MacMillan can speak to today's audiences. *The Nutcracker* and *Swan Lake* proved their enduring popularity in sell-out performance runs. We presented revivals of *The Cellist*, Cathy Marston's poignant retelling of the momentous life of cellist Jacqueline du Pré, Wayne McGregor's *The Dante Project* and Christopher Wheeldon's *The Winter's Tale*. A new generation of exceptional dancing talent both honoured this breadth of repertoire through the ages and pushed the boundaries of ballet, creating unforgettable theatrical experiences.

In the Linbury Theatre, Joseph Toonga curated a special festival for Black History Month, *Rhythm in Resilience*, including a new film created with Harrison Emmanuel and a *Draft Works* programme of invited Black choreographers. Royal Ballet Principal Character Artist Kristen McNally made her full-length choreographic debut with *The Limit*, a dance, dialogue and music adaptation of Sam Steiner's West End play Lemons, Lemons, Lemons, Lemons, Lemons, which was conceived by Principal dancer Alexander Campbell, set to a newly commissioned score by Isobel Waller-Bridge.

We nurtured emerging creative and performing talent with *Draft Works*, *International Draft Works* and the *Next Generation Festival*, bringing in dancers and choreographers from leading international dance schools and companies. Our long-standing commitment to fostering dance partnerships included Northern Ballet, Fallen Angels Dance Theatre, Ballet Black and Sydney Dance Company. After final performances at the Royal Opera House, the Company toured to Jacob's Pillow Festival in the USA with a programme that included a world premiere of Wayne McGregor's *Figures in a Landscape*.

The Royal Opera opened its Season with two landmark works. On the Main Stage, in his final Season as Music Director, Sir Antonio Pappano conducted Barrie Kosky's bold and decisive imagining of Wagner's *Das Rheingold* – the start of a new Ring cycle for the Company. In the Linbury Theatre and following the successes of *Written on Skin* and *Lessons in Love and Violence,* George Benjamin and Martin Crimp brought us the UK premiere of their latest collaboration *Picture a Day Like This*.

Sir Antonio Pappano went on to guide Christof Loy's new production of *Elektra*, as well as conducting longtime collaborator Jonas Kaufmann in a stellar revival of *Andrea Chénier*, before returning to Japan on tour with the Company, for the first time since 2019, to lead spectacular casts in *Rigoletto* and *Turandot.* In May, His Majesty The King joined a packed house for a special gala performance celebrating Sir Antonio Pappano two decades at the musical helm of The Royal Opera.

New productions of *Carmen* and *Jephtha* were staged alongside a raft of beloved revivals including *La Forza del Destino*, *L'elisir d'amore*, *Rigoletto*, *Cavalleria rusticana/Pagliacci*, *La bohème*, *Tosca*, *Hansel and Gretel*, *The Flying Dutchman*, *Madama Butterfly*, *Lucia di Lammermoor*, and *Così fan tutte*. In the Linbury Theatre, Little Bulb's Olivier award-winning *Wolf Witch Giant Fairy* returned, alongside a new thrilling double-bill by the Jette Parker Artists *Larmes de couteau* and *Full Moon in March*, and Irish National Opera and The Royal Opera presented their third collaboration: a brand-new staging of Vivaldi's 1734 opera, *L'Olimpiade*.

Beyond our stages, our programme of live and as-live cinema relays reached more than 600 UK cinemas and a further 800 around the world. More than two million people enjoyed broadcasts of our productions on Radio 3 and our new Royal Ballet and Opera Stream reached over 10,000 subscribers.

As we approach the 40th anniversary of our Learning and Participation Programme, more than 100,000 students engaged in the RBO Schools Programme and Schools' Matinees, a year-on-year doubling of the programme's reach. Nearly 1,500 schools used our resources, and close to 4,500 teachers trained in teaching dance, music and design. Over 26,000 children took part in a national *Create Day* which saw pupils from schools across the country engage in free, fun and interactive lessons and performances, both in person and virtually.

Alongside these artistic and organisational successes, however, and like many arts organisations, we continue to tackle enormous financial challenges. Economic shifts, pressure on box office revenues and funding uncertainties have impacted our resources, necessitating difficult decisions and strategic adjustments. Despite these pressures, we achieved a financial break-even position for the year. This was in part because of a one-year decision to reduce the number of new main stage productions. Moving forwards, and thanks to the absolutely vital extension of the Theatre Tax Credit, we have been able to renew our commitment to new work from 2024/25.

In the meantime, we face new challenges in an uncertain world including the need to repay our Covid-19 Cultural recovery Fund loan, the prospect of increased Employer National Insurance Contributions and the urgent need to replace our end-of-life backstage infrastructure. Despite these, our commitment to fostering creativity and delivering exceptional art remains unwavering. We are determined that through innovation, resilience, and continued support from our community and partners, we will navigate these economic headwinds and emerge stronger, ensuring our legacy of artistic brilliance endures.

In closing, I would like to thank all my colleagues in the truly remarkable RBO team of staff and artists – it is their professionalism, dedication and ingenuity that define us, continuing to inspire audiences in our theatres, in schools and communities across the country and far beyond. I also extend my heartfelt gratitude to our Patrons, Friends, and philanthropists - their constant support has been the cornerstone of our success this year. And I would also like to thank our Board of Trustees and advisors under Sir Lloyd Dorfman's inimitable lead as chair for their wise counsel and assured guidance.

Thanks to you all, we are able to remain committed to our vision of bringing world-class ballet and opera to everyone, and to fostering the culture of world-class artistic excellence for which we are famous.

Alex Beard CBE
25 March 2025

WHO WE ARE AND WHAT WE DO

Our purpose

During the Season, we renamed the organisation the Royal Ballet and Opera (RBO) from the Royal Opera House (ROH) to reflect the full range of our artistic output as a whole, rather than simply the name of our theatre. At the same time, we adopted a new purpose statement: ***Inspiring imagination, igniting emotion, making the extraordinary, for everyone.***

Our legal name remains the Royal Opera House Covent Garden Foundation. The Royal Ballet and The Royal Opera continue to perform at The Royal Opera House.

How we achieve our purpose

We bring all the arts together, pushing the boundaries of where extraordinary talent and stories come to life, from school to stage.

Our priorities and actions

	ARTISTIC EXCELLENCE	OPENING UP AND RELEVANCE	INCOME GENERATION	RESILIENCE
Priorities	World-class art, balancing much-loved repertoire with exciting new works & commissions	More people in & outside of London choose to visit and engage with us	Long-term financial & operational viability	Buildings are accessible, cost less money to run & are more environmentally sustainable. Business transformation maximises collaboration & eliminates process friction
Actions	Innovate & engage with today's best people & ideas, appealing to the broadest possible audience	Open up all aspects of RBO to touch more people's lives & create a deep sense of belonging	Increase income through better exploitation of brand value, commercial income & fundraising	Streamline business processes to increase productivity & reduce operational costs

Taking all of this in the round, we deliver public benefit which may be summarised as falling into seven broad categories:

1. **Education and engagement with the arts for school age children and their families, and support for teachers:** for example, our RBO Schools Programme inspired over 90,000 children across the country in 2023/24 in singing, dancing and design programmes.
2. **Support for new entrants into jobs with RBO and support for people already in the industry to progress their careers:** for example, our award-winning apprenticeship programme, and our Freelance Community Charter through which we are strengthening how we work with and support freelancers and casuals who engage with us.
3. **Provide opportunities for young performers and other creatives to develop their work and careers:** for example, through our Overture programme (for orchestral musicians), Jette Parker programme (for singers, stage directors, répétiteurs) and Aud Jebsen programme (for dancers).
4. **Provide access to our performances at affordable prices:** for example, 1/3 of our mainstage tickets are priced at £50 or less.
5. **Engage and partner with local communities:** for example, we target our learning and participation work in areas of the country with limited opportunities to engage with our artforms.
6. **Support the wider arts and cultural sector:** for example, we are sharing our research, insights, learning and experiences, to enable others to benefit from the scale of RBO and the work we do.
7. **Open access:** for example, we are making effective use of digital channels and providing access to our building for all.

Challenges ahead

Our financial results for 2023/24 were achieved in part because of a one-year reduction in the number of new productions. This was necessary to accommodate the steeply rising costs of running the building and our operation but is not sustainable beyond the short term if we are to maintain our world-class reputation. And thanks in part to the extension of Theatre Tax Relief at its higher rates we have committed to increasing the number of new productions annually back to historical levels.

However, there remain persistent and new financial pressures which will continue to pose significant risks to our future operation. Top of the list is the critical need to invest c. £60m in the next three years (£250m+ over the decade) in our estate and infrastructure. The Royal Opera House was substantially redeveloped in the late 1990's and consequently the building's stage and mechanical infrastructure is now at or beyond its useful life. It must be renewed if we are to continue to operate the stage safely, to provide an environment that is conducive to singers, dancers and other staff performing at their best, and to deliver the experience that audiences demand.

This is in addition to other major new challenges. These include the increase in the rate of employers' National Insurance announced by the Government in Autumn 2024 (an additional cost to us of £1.5m a year), the significant increase in the National and London Living Wage (and the knock-on implications for pay more widely), prolonged higher rates of inflation, and the start of our Cultural Recovery Fund (CRF) loan repayments (£1.6m a year).

We are meeting this challenge by growing revenues and reducing costs, whilst fundraising for capital renewal. Our Bridging the Gap strategy includes the following key initiatives:

- Growing business partnerships and commercial revenues.
- Reviewing our pricing model, growing box office revenue, while simultaneously ensuring we maintain a substantial percentage of affordable tickets in line with our audience diversity goals.
- Increasing fundraising income.
- Reducing costs through business transformation, enabled by investments in technology and smarter ways of working.

We have made some progress during 2023/24 on Bridging the Gap, but to address these compounding new pressures, we will have to seek deeper operational cost reductions than previously anticipated, requiring us to re-think how we deliver what we do whilst sustaining our artistic ambition and excellence.

ACHIEVEMENTS

ACHIEVEMENTS: artistic excellence and opening up and relevance

On Thursday 16 May, we held a special gala performance to celebrate The Royal Opera's longest-serving Music Director, Sir Antonio Pappano. Celebrating Pappano's 22-year tenure, the gala comprised performances by friends and regular collaborators including Aigul Akhmetshina, Carlos Álvarez, Xabier Anduaga, Diana Damrau, Freddie De Tommaso, Amartuvshin Enkhbat, Gerald Finley, Ermonela Jaho, Jonas Kaufmann, Huw Montague Rendall, Lisette Oropesa, Sondra Radvanovsky, Nadine Sierra, Insung Sim and Bryn Terfel.

They were joined by the Royal Opera Chorus and the Orchestra of the Royal Opera House, led by Concert Master Vasko Vassilev, in performing repertoire by composers including Donizetti, Massenet, Mozart, Puccini, Rossini, and Verdi.

Pappano won the Olivier Award for Outstanding Achievement in Opera in recognition of his achievements as Musical Director of The Royal Opera.

The Royal Ballet

This Season brilliantly showcased the peerless talents of our dancers across revivals of our rich repertory, while programmes like the *Festival of New Choreography* and *International Draft Works* as well as new works like *The Limit* looked to the future of ballet and the abundant creativity on offer at The Royal Ballet.

Bravura performances of Carlos Acosta's production of *Don Quixote* opened the Season with a flourish. Other classics proving their enduring popularity included *The Nutcracker* and *Swan Lake,* providing expansive interpretative opportunity for the full Company as well as for the Orchestra of the Royal Opera House in Tchaikovsky's seminal scores.

Arresting compositions by Stravinsky, Webern, Schoenberg and Fauré were the foundation for a powerful mixed programme by Kenneth MacMillan. Three one-act ballets, *Danses concertantes*, *Different Drummer* and *Requiem*, demonstrated the breadth of the choreographer's vision during his lifetime. MacMillan's vivid creativity was also celebrated with his masterpiece *Manon* and with Yorke Dance Project's reworking of *Isadora* in the Linbury Theatre and a filmed version of *Sea of Troubles*.

There were also celebrations across both stages of the Company's Founder Choreographer, Frederick Ashton. His illustrious legacy was marked by performances from The Royal Ballet and The Sarasota Ballet with ballets including *The Dream*, *Les Rendezvous*, *Rhapsody*, *Five Brahms Waltzes in the Manner of Isadora Duncan*, *Hamlet and Ophelia*, and *The Walk to the Paradise Garden*. A variety of Ashton divertissements and rarely seen works were presented by The Sarasota Ballet in the Linbury Theatre, giving yet more insight into our founder choreographer's oeuvre. These *Ashton Celebrated* performances also launched the Frederick Ashton Foundation's international festival, Ashton Worldwide 2024-28.

The remarkable artistic talents of Resident Choreographer Wayne McGregor, composer Thomas Adès and artist Tacita Dean came together again in *The Dante Project*'s first revival. Also receiving their first revivals were *The Cellist* by Cathy Marston and *Anemoi* by Valentino Zucchetti. In its tenth anniversary season and now an established contemporary classic, *The Winter's Tale* by Artistic Associate Christopher Wheeldon returned to the stage.

Joseph Toonga, who undertook the Season's Choreographic Residency, curated a special festival for Black History Month, *Rhythm in Resilience*, which included a new film created with Harrison Emmanuel and a Draft Works programme of invited Black choreographers.

The *Festival of New Choreography* on the Main Stage continued The Royal Ballet's commitment to embracing and championing new, diverse voices. During this time the whole House came alive with events on both stages and in the Paul Hamlyn Hall and Clore Studio. Four choreographers made their Main Stage debuts: Gemma Bond, Jessica Lang, Mthuthuzeli November and Royal Ballet First Artist Joshua Junker. The intimate space of the Linbury Theatre was transformed for an immersive new production by Robert Binet for Royal Ballet dancers, *Dark with Excessive Bright* – a ground-breaking approach to audio description was tested as part of this production; this was part of our work to increase Access provision across both stages.

Royal Ballet Principal Character Artist Kristen McNally made her full-length choreographic debut in the Linbury Theatre with *The Limit*, a dance, dialogue and music adaptation of Sam Steiner's West End play *Lemons, Lemons, Lemons, Lemons, Lemons,* first conceived by former Principal dancer Alexander Campbell.

Nurturing talent was also at the heart of the Company's *Draft Works* and *Next Generation Festival* programmes in the Linbury Theatre, bringing in dancers and choreographers from leading international dance schools and companies. The venue also hosted Northern Ballet, Fallen Angels Dance Theatre, Ballet Black and Sydney Dance Company during the Season. *The Duets* programme in the Clore Studio as part of the Festival of New Choreography included work by Hannah Joseph. She has subsequently been invited to create a new work for Joseph Sissens' Legacy project.

After our final performances at the Royal Opera House of *Swan Lake*, we undertook a small-scale tour to Jacob's Pillow Festival in the USA where 22 dancers performed a variety of works across two stages at this historic dance venue. The programme included a world premiere by Wayne McGregor, *Figures in a Landscape.*

The Royal Opera

The 2023/24 Season included a rich and varied programme of new productions and revivals, all brought to life by an outstanding line-up of international artists.

We opened the Season with Barrie Kosky's new production of Wagner's *Das Rheingold* – the momentous start of a full new *Ring* cycle at the Royal Opera House, conducted by Antonio Pappano.

We continued our Handel in Covent Garden series. Following the success of our Olivier Award-winning production of Handel's *Alcina* (2022), The Royal Opera presented a new production of his *Jephtha*, the first time this work has been heard in Covent Garden since the 1750s. In a gripping new staging by Oliver Mears, conducted by Baroque specialist Laurence Cummings, and with an outstanding cast led by Allan Clayton in the title role, our new production of Handel's masterpiece shed powerful new light on a timeless biblical tale.

Moved from its originally intended premiere in 2020, Christoph Loy directed a new production of Strauss' monumental modernist work *Elektra,* conducted by Antonio Pappano. Set in a decaying turn-of-the-century Viennese palace, Loy created a tragic world for the eponymous heroine.

Following the success of his award-winning *Cavalleria rusticana/Pagliacci* – also revived this Season – Damiano Michieletto returned for a new staging of *Carmen*, a key repertoire piece for The Royal Opera. Antonello Manacorda and Emmanuel Villaume conducted an exciting international cast, with former Jette Parker Artist Aigul Akhmetshina in the title role. The production also featured our Youth Opera Company.

Revivals included *La forza del Destino*, *L'elisir d'amore*, *Rigoletto*, *Hansel and Gretel* (in a new English translation), *La bohème*, *The Flying Dutchman*, *Lucia di Lammermoor*, *Così fan tutte*, *Madama Butterfly*, *Andrea Chénier* and *Tosca*.

Across the season, The Royal Opera saw several extraordinary artists make their debuts. These included Sean Panikkar (*Das Rheingold*), Nadine Sierra (*L'elisir d'amore*), Erin Morley (*Rigoletto*), Karen Kamensek (*Tosca*), Andrea Battistoni (*Tosca*), Ausrine Stundyte (*Elektra* and *Tosca*), Elisabet Strid (*Der fliegende Holländer*), Liv Redpath (*Lucia di Lammermoor*), Golda Schultz (*Così fan tutte*), and Andre Schuen (*Così fan tutte*). We also welcomed back several regular Royal Opera collaborators including Christopher Purves (*Das Rheingold*), Bryn Terfel (*Der fliegende Holländer*), Pretty Yende (*Rigoletto*), Alice Coote (*Jephtha*), Simon Keenlyside (*Rigoletto*), Angel Blue (*Tosca*), Sonya Yoncheva (*Tosca*), Asmik Grigorian (*Madama Butterfly*), Piotr Beczała (*Carmen*), Mark Elder (*La forza del Destino*) and Julia Jones (*Rigoletto*).

George Benjamin and Martin Crimp's highly anticipated new one-act chamber opera, *Picture a day like this*, opened The Royal Opera season in the Linbury Theatre. Following the historic success of *Written on Skin* and *Lessons in Love and Violence*, this latest collaboration between composer and librettist explored human nature, character and psychology through a universal fable about loss, hope and self-discovery. Following its successful world premiere at the Festival d'Aix-en-Provence in summer 2023, the production travelled to Covent Garden to audience and critical acclaim.

Continuing the Linbury's commitment to new work by women composers, The Royal Opera staged *Giant*, a new opera by Sarah Angliss. Exploring the true story of surgeon and anatonatomist John Hunter and his relationship with 'Irish Giant' Charles Byrne co-produced with originating commissioner Britten Pears Arts.

Our Jette Parker Artists embarked on a new double-bill production of *Larmes de Couteau* (Martinů) and *Full Moon in March* (Harbison) in the Linbury Theatre. Both pieces were well-received and highlighted the continued significance of the JPA Programme as a pipeline for opera talent.

The final piece in the Linbury Theatre was Vivaldi's rarely-presented opera *L'Olimpiade*, in a co-production with Irish National Opera. Daisy Evans' modern staging was as illuminating as it was entertaining and formed part of the Royal Opera's commitment to staging Baroque-era operas across both our stages.

The Linbury saw many debuts from leading and up-and-coming artists, as well as many significant returning artists. *Picture a day like this* included debuts from rising stars such as Ema Nikolovska, Cameron Shahbazi and JPA alumna Jaquelyn Stucker. *Giant* saw Karim Sulayman's and Anna Cavaliero's debuts, while INO's *L'Olimpiade* involved another JPA alumnus Chuma Sijeqa alongside debuts from Gemma Ní Bhriain, Rachel Redmond and others.

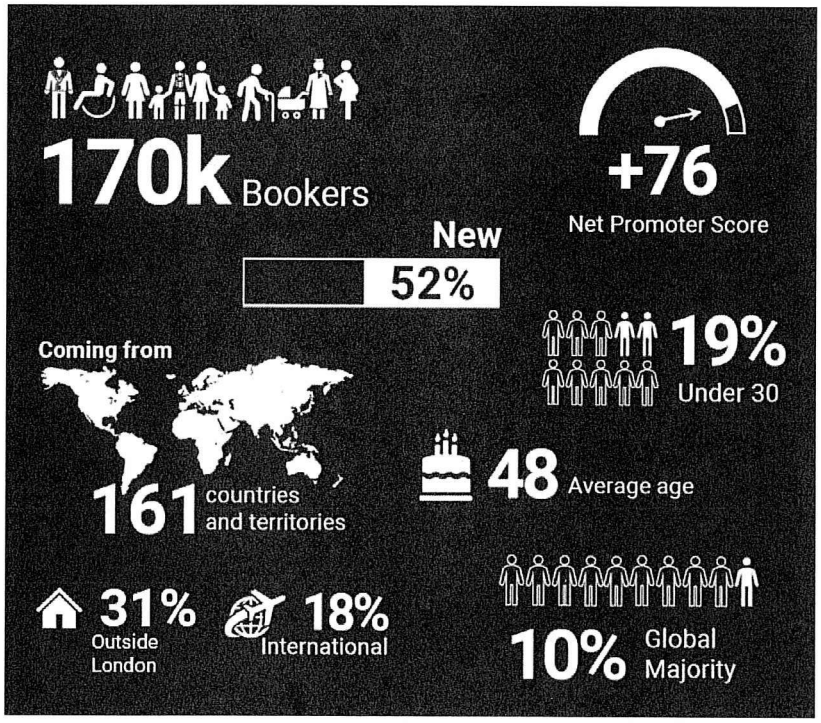
RBO Stream

At the end of the Season, we had 10,008 subscribers who can access streamed Insights, performances, coaching sessions, masterclasses and interviews with creatives.

During the Season, we developed several new content series including Spotlight on… – a series featuring dancers from The Royal Ballet discussing their favourite roles, and their careers. Our Unmissable Opera series, presented by cultural historian Dr. Flora Willson, explores opera through the ages in an informative new series of eight films available exclusively on the platform.

We are currently offering a cheaper subscription rate for RBO members, and we have subsequently begun offering free Stream access to Young RBO members aged 16-25. We also offered free RBO Stream access to further education music colleges and conservatoires specialising in ballet and opera education. Beyond specialist schools, we are working on a large-scale partnership to deliver the whole RBO Stream catalogue into UK secondary schools, free at the point of access.

Audience development



Performance against targets

Target KPIs	Achieved 2023/24
30% UK audiences live outside London.	31%
8.3% Global Majority	10%
12.2% audiences disabled people	8%
53.7% under age 60	74%

Following the pandemic, RBO has successfully engaged new audiences, with a higher proportion of new bookers compared with pre-Covid. In the 2023-24 Season, 48% of our bookers (79,000 people) booked tickets at RBO for the first time, which compares to 40% (48,000 people) in 2018.

A new audience development strategy has been developed which lays out our approach to reaching and engaging new audiences, including underrepresented audience groups.

Our objectives for the audience development strategy are to:

- Drive financial sustainability through re-engaging first timers who haven't returned to RBO and growing new audiences who are more likely to build a relationship with us.
- Diversify our audience base through growing audiences from underrepresented groups (with a focus on audiences who are younger, those from Global Majority backgrounds, those with lower incomes and those with access requirements).

Our approach to audience development identifies potential barriers to attendance and looks at how we can break these down to continue to build and diversify our base.

Young RBO

This is a scheme for those aged 16-25 years old who can buy tickets at £30:

- Across the season, Young RBO members bought over 18,000 tickets for mainstage performances.
- 35% of the bookers self-define as being from Global Majority backgrounds
- 64% of those educated in the UK went to state schools
- 8% self-define as D/deaf, disabled or having a long-term health condition
- 7% self-identify as neurodiverse

Relaxed Performance

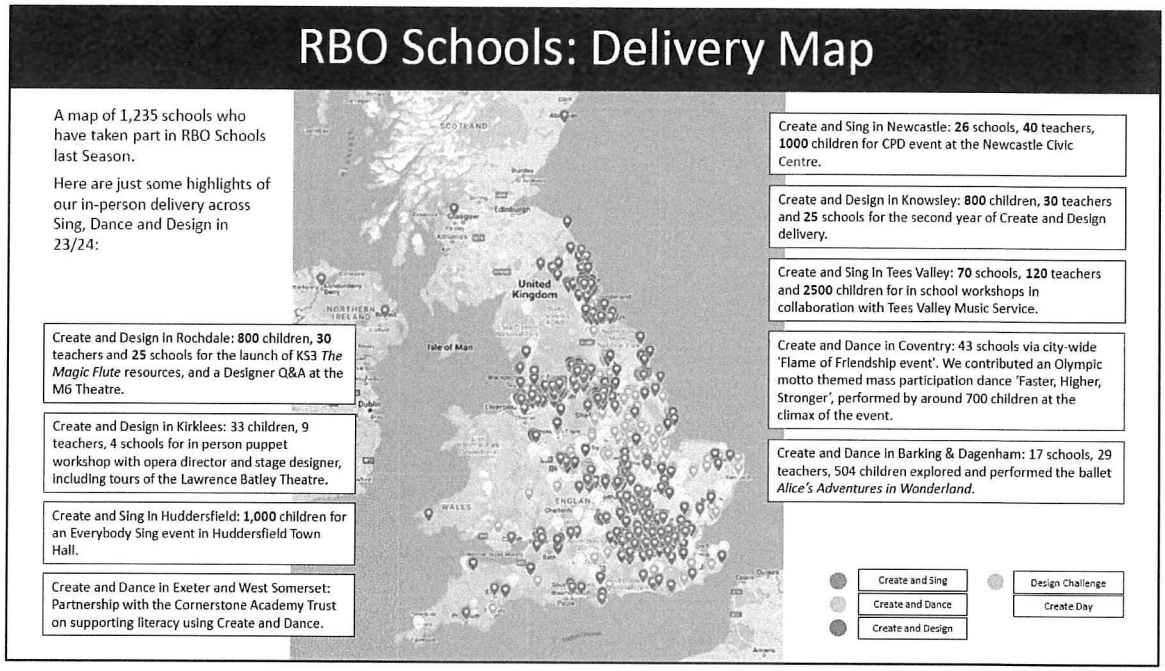
For the Paul Hamlyn Christmas Treat 2023 (kindly supported by the Helen Hamlyn Trust), we developed and delivered our first mainstage Relaxed Performance. Designed to benefit neurodiverse audiences, those with disabilities, long-term health conditions and audiences with a variety of access needs, this performance welcomed nearly 1,400 people to *The Nutcracker,* giving many their first experience of this magical festive production, and their first experience in our Covent Garden home.

Learning and Participation

Our Learning and Participation programmes are designed to inspire creativity, offering people of all ages the chance to discover, question and respond to the power of our artforms.

In 2023/24, they significantly extended their reach and impact. Brief summaries of the key programmes are below.

RBO Schools



Programme summary	Impact 2023/24 compared with 2022/23
A programme which trains teachers to give them the creative confidence to deliver ballet, opera and design in their classrooms. Free-to-use resources for state schools around the country with targeted work in more deprived areas of the country.	- **1,235 schools** where our resources were used (80% increase) - **4,460 teachers** trained in teaching dance, music and design giving them confidence to deliver lessons to inspire their students (300% increase) - **103,277 students** engaged in Create & programmes and our Schools Matinee performances (240% increase) -

Create Day

Programme summary	Impact 2023/24 compared with 2022/23
UK-wide celebration of dancing, singing and design. The day saw pupils from schools across the country take part in free-to-access, educational, fun and interactive lessons and performances, both in person and virtually, taking inspiration from The Royal Ballet's *Light of Passage*.	This was the programme's first year, and it reached: - 26,543 children - 266 schools

Design Challenge

Programme summary	Impact 2023/24 compared with 2022/23
Free annual programme for students aged 14+ which is designed to help pave the way for students to embark on a career in the creative arts	Over 700 competitors (increased from 454)

Schools' Matinees

Programme summary	Impact 2023/24 compared with 2022/23
Special performances of an opera or ballet just for students and teachers. Each ticket costs £7.50.	Numbers below are broadly standstill compared with 2022/23, as planned. - **10,700** young people - **83%** of schools who attended had a free school meal percentage above the national average - **65%** of attendees were from outside the M25 - **38%** of schools were from Arts Council England Levelling Up for Culture areas/ Priority Places, identified as areas of high cultural and socio-economic deprivation. - **£25,000** made available to schools for Travel bursaries, essential to them accessing this offer.

Chance to Dance

Programme summary	Impact 2023/24 compared with 2022/23
Chance to Dance: Long-established programme (over 30 years), now working nationwide with a focus on areas of socio-economic deprivation and Arts Council England Priority Places outside London. Through brokering partnerships with private dance schools and primary schools we reach new participants and encourage creative and inclusive practice. This inspires young people to discover and take part in ballet and produces long-term change in the teaching of ballet.	Numbers below are broadly standstill compared with 2022/23: - Inspired and engaged over **1,000 children's creativity** through the power of dance. - Delivered over in **170 hours of workshops** through in-depth projects in **5 areas** of the UK. - Strengthened partnerships in **22 schools,** to inspire sustainable and creative dance teaching. - Nurtured the creative practice of **27 dance teachers**, to develop their dance pedagogy and continue to build the network of dance teachers and artists across the country.

Talent development

We offer a range of programmes to support talent development, with a particular focus on increasing the diversity of our own workforce and contributing to the sector as a whole. Examples are below.

Apprenticeships Scheme

Programme summary	Impact 2023/24
A programme offering a wide range of learning pathways including craft, technical and administrative roles.	**Recruited 13** (our record number) bringing the total on the programme in the year to 19 (a figure which has since expanded to 27). Number recruited in 2022/23 was 11. **Awarded** 'Best Apprenticeship in Creative Industries'.

Youth Opera Company

Programme summary	Impact 2023/24
Provides children aged 7 to 13 with rigorous music and drama training, creative projects and the chance to perform in world-leading opera productions with The Royal Opera.	**116 YOC** full-time members **54%** identifying as **Global Majority** **18%** receiving **Free School Meals**

Overture

Programme summary	Impact 2023/24
Overture: a mentorship programme for young musicians from underrepresented backgrounds to learn from members of the Orchestra of the Royal Opera House. The programme is a collaboration between RBO, Black Lives in Music (BLiM), and the National Open Youth Orchestra (NOYO)	**17 young musician** recruits **50% of those on the programme** (including this year and last year's recruits) are from Global Majority backgrounds

Jette Parker Artists

Programme summary	Impact 2023/24
Jette Parker Artists: a programme to identify, recruit and nurture exceptionally gifted young professional singers, conductors and répétiteurs to develop their careers (with a focus on diversity).	Increase in applicants: music staff, **14%; singers, 22%; directors, 46%.** As a result of our work in the 2023/24 season **all music staff in the upcoming 2024/25 Season are from the global majority** – a Programme first.

Aud Jebsen Young Dancers

The programme was established in 2014 and provides recently graduated dancers a year's contract to be nurtured and perform as part of the corps de ballet of The Royal Ballet. By the end of Season 2023/24, the programme's 10th anniversary:

- 61 dancers had been through the programme
- 48 had transferred to the main company
- All but two members of the programme remain dancers, with the other two in other arts roles

ACHIEVEMENTS: income generation and resilience

Long-term financial sustainability

Our Bridging the Gap strategy had a positive impact as we increased income from £163.6m in 2022/23, excluding £7.1m of exceptional property income in that year, to £181.9m in 2023/24.

Income stream	Impact
Fundraised income	Increased income from £35.0m in 2022/23 to £50.8m in 2023/24
Commercial income	Increased income from £20.9m in 2022/23 to £23.2m in 2023/24
Box Office income	Increased income from £52.6m in 2022/23 to £54.5m in 2023/24

However, despite these successes, we are still a long way from being able to invest the £60m needed in the next three years (£250m+ over the decade) in our estate and infrastructure. This is on top of other financial pressures which have arisen more recently from the Autumn 2024 Budget.

Together with peer arts organisations who face the same challenges, we continue to make the case to the Government for investment from the public purse which acts as a catalyst to unlock investment from the private sector.

Additionally, we began to enhance the Bridging the Gap strategy with a set of principles which describe how we will aim to unlock a step change in income potential:

Principle 1 Unlock the value of our brand:

Building on our new name and forms of expression, we need to drive greater brand awareness and relevance amongst potential audiences, donors and brand partners.

Principle 2 Find new mechanisms to drive income:

Whether this is new philanthropic mechanisms for younger donors, increased focus on building the endowment, or new ways for brand partners to align with us, new mechanisms are critical to drive meaningful growth in revenues.

Principle 3 Focus on driving loyalty:

Increasing loyalty across all our key groups, including long-standing members, current and new audiences, philanthropists and brand partners gives us a strong foundation, financial resilience and repeat/recurring revenues that enable us to plan our artistic programmes well in advance.

Principle 4 Create a joined-up commercial mentality:

Drive cultural and behavioural change across the organisation that connects priorities to commercial impact and joins the dots between donors, brand partners and audiences to greater effect.

The above is supported by efforts to save costs by increasing productivity through:

- Reduction of back office/admin resources through the coordinated implementation of key enterprise systems combined with removal of all manual processing.
- Use of new technologies to change ways of working and move towards more single systems for operating (in stage areas).
- Use of LEAN methodologies to streamline and reduce costs/waste.

Resilience

Staff

Our People Plan for 2023/24 set out how we would attract, develop and retain the talent we need to deliver for RBO against the challenges of the cost-of-living crisis and difficult employment climate.

Achievements include:

- Talent entry programmes that are stronger than ever, with our apprenticeship scheme recognised as leading in the sector.
- Increasing diversity of artists on our stages and in the pit and Arts Council staff diversity targets achieved overall.
- Setting out our commitments to embed ED&I across the organisation in an updated policy supported by a programme of internal events and activities to increase understanding of ED&I.
- Appointing an Access Project Manager to develop and embed a range of initiatives and projects to improve access for disabled people both to artforms and performances, and employment opportunities.
- Partnering with specialist organisations and careers events to better reach diverse talent and those who support underrepresented groups into the workforce.
- Supporting leaders with a new leadership development programme including coaching and 360-degree review.
- Additional ED&I awareness training for managers to help them better understand and deliver diversity and inclusion at work.
- Awarding a minimum 5% pay deal for staff and artists with lower paid staff and those on the London Living Wage seeing the largest increases. Sick pay was significantly improved as well as an increase in annual leave for new staff.

As a result, our staff and artist engagement levels were much stronger at the end of the 2023/24 season – increasing by 5% to 80% – our highest ever and above the benchmark for similar organisations.

Security systems

We commenced a series of projects to increase the security of our buildings, including starting work to prepare for implementation of Martyn's Law.

We also continued to strengthen systems and processes to ensure continuous improvement in our cyber security.

Stages, buildings and equipment

We completed the first of a three-year initial renewal programme costing c. £60m, to upgrade and replace end-of-life infrastructure largely focused on stage systems. The six stage elevators – crucial in enabling our complex repertory schedule and to move large scenery around our stages and sometimes during productions – were upgraded and moved into the same technology as our Flys. We commenced the project to move our auditorium houselights to LED, completed our surtitle upgrade and carried out enabling works in preparation for the replacement of our production lighting rig in the coming season. Beyond the stage, we carried out the first phase of three in upgrading our power installations, completed the project to unify our IT networks and carried out lift and escalator upgrades and urgent repairs to our building infrastructure. We are hugely grateful to the Garfield Weston Foundation, the Oak Foundation, Bloomberg Philanthropies and Marina Hobson whose generous donations in the 2023/24 season made this possible.

We commenced work with specialist consultants to further develop our Masterplan with the aim of defining our programme of works over the coming decade (likely to cost some £250m+ with circa £60m needed in the next three years to tackle the most urgent projects) to upgrade our facilities for our artists, staff and visitors, while remaining mindful of the need to deliver a more sustainable estate and operation. The lack of sufficient funds for this programme is a major risk to the organisation.

Environmental sustainability

Recognising our international reach and leadership role within the UK arts sector, we have embraced our responsibility and obligation to reduce our greenhouse gas emissions. It is the ambition of the Royal Ballet and Opera to be a leader in environmental sustainability and to act as a catalyst for positive change in our industry.

Our environmental policy commits us to net zero carbon emissions for scopes 1 and 2 (gas, electricity and fleet vehicle emissions) by 2035. Our policy is currently being reviewed to incorporate our plans to reduce our scope 3 emissions. To achieve these goals, our Sustainability Action Plan continues to be updated regularly. Our Energy Strategy, published in 2021, has been reviewed and an in-depth exploration of options for decarbonising our buildings was completed in 2023/24. This has provided a clear path of actions required to achieve decarbonisation.

In the 2023/24 season carbon dioxide equivalent (CO_2e) emissions from electricity consumption increased by 7%, however there was a 33% reduction in emissions from gas consumption. Previous seasons have seen larger reductions in carbon dioxide equivalent emissions in both gas and electricity as we undertook easy wins and small-scale projects. Most of these energy-saving measures have now been completed and we have moved on to planning for larger scale projects. The Estates and Facilities plan has been updated to incorporate projects that will need to be completed prior to removing the boilers including replacement of windows. A Westminster City Council grant was applied for at the end of the season to fund the replacement of gas boiler burners; although this will not remove the use of fossil fuels, it will improve the burners' efficiency, reducing the amount of emissions produced until the infrastructure is in place to allow the boilers to be removed, in order to decarbonise our Covent Garden building.

We continue to work with the Theatre Green Book and achieved basic certification. The Theatre Green Book provides a framework for theatres to achieve net zero by working through four certification stages; basic is the second stage. The Theatre Green Book encourages theatres to consider the environmental impact of all areas of operations, buildings and productions. In operations this year we have changed how our programmes are produced, begun to gather data on how our audiences travel to us and worked with the Design Challenge team in Learning and Participation to include sustainability as one of the assessment criteria. Our buildings work is ongoing; this year the auditorium light project has commenced and will see all auditorium lights changed to LED; and the trace heating system has been replaced to reduce electricity consumption. Work within productions has included an increase in diverting set and props from going to waste by donating these to schools, theatres, charities, small companies and individuals. An asset management system, TRAIL, continues to be implemented so that reuse of our stock will be easier for designers. Reporting on every production against Theatre Green Book standards has now become common practice and talks have commenced with the Ballet and Opera Companies to determine how best to encourage creatives to incorporate sustainability at the design stages.

The 2023/24 season has also seen a focus on Scope 3 supplier emissions. We surveyed the suppliers and contractors that we engage with most, and those in high carbon industries, and the results indicated a range of levels of engagement with environmental sustainability. RBO hosted two workshop sessions, inviting key contractors and suppliers from our TPC department and Estates and Facilities; the feedback from these sessions was overwhelmingly positive, allowing companies the chance to talk freely about best practice, share challenges and discuss with RBO how we can help to reduce emissions through our supply chain. The workshops will continue on a regular basis and this work has been incorporated into the ACE Environmental Report as a best practice case study.

We continue to work with others in the sector to raise standards. Our staff were recognised for their work towards the relaunch of the Theatre Green Book in June 2024, and RBO is now part of the Opera Europa sustainability committee. We continue to sit on the steering and technical committees of the Westminster Sustainable City Charter. Through these groups we aim to share lessons learned, develop networks and influence other organisations to help us all move towards more sustainable operations.

Streamline Energy and Carbon Reporting

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR) imposed by the 2018 SECR Regulations, we are required to disclose the following energy and carbon information for the reporting year 1 September 2023 to 31 August 2024.

Scope 1: Emissions from combustion of Gas tCO2e 2024: 733 (Energy consumption: Gas 4,006,941 Kwh) 2023: 1,088 (Energy consumption: Gas 5,944,962 Kwh) 2022: 1,258 (Energy consumption: Gas 6,892,888 Kwh)
Methodology: Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the invoiced gas consumption in kWh during the previous reporting period and the 2023 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Natural Gas' From 1st October 2022 the Royal Ballet and Opera has purchased Carbon Neutral Natural Gas as part of their Gas supply contract provided by Total Energies Ltd. For more information please visit https://business.totalenergies.uk/carbon-neutral-energy
Scope 2: Emissions from purchased electricity tCO2e 2024: 2,032 (Energy consumption: Electricity 9,816,163 Kwh) 2023: 1,903 (Energy consumption: Electricity 9,188,290 Kwh) 2022: 1,801 (Energy consumption: Electricity 9,313,635 Kwh)
Methodology: Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the above stated electricity consumption in kWh during the previous reporting period and the 2024 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Electricity Generated/Electricity: UK' Market Based Emissions are reported as 0 due to the fuel mix of the electricity purchased, as defined by the suppliers' fuel mix. Drax fuel mix: 100% REGO Backed Renewable Electricity https://energy.drax.com/support/fuel-mix-disclosure/
Scope 3: Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing for fuel tCO2e 2024: 14 (39,921 miles) 2023: 6 (24,606 miles) 2022: 2 (8,594 miles)
Methodology: tCO2e calculated from the total mileage expenses claimed during the previous reporting period multiplied by the 2024/2023/2022 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for an Average Car and unknown fuel type. In previous years this has been a specified fuel type but this information was not available this year. It is of note that this year the WTT conversion has also been included whereas in previous years it has not. In addition there were a small number of van hires. These have been calculated using Freighting Goods from 2024 UK Government GHG Conversion Factors for Company Reporting (version 1.0) - Vans average diesel.
Intensity Ratio: tCO2e gross figure based from mandatory fields (tCO2e/m2) 2024: 0.0500 2023: 0.0540 2022: 0.0570
Methodology: The intensity ratio stated above has been calculated as Tonnes of CO2e per total square meters of useful floor area (57,438 m2)

In the last three years RBO has undertaken a range of measures to reduce energy consumption, from encouraging behaviour change to investing in energy saving technologies, using an Energy Savings Opportunity Tracker (ESOT) to identify and quantify options and their environmental value. In the last year RBO has completed work to remove trace heating, installed escalator upgrades to improve efficiency and replaced external doors to minimise heat loss. The majority of the small scale and low-cost measures identified in the ESOT are now complete, and RBO is considering the long-term plan that will decarbonise all three buildings in time for our net zero ambition for scopes 1 and 2 by 2035. It is only via major infrastructure upgrades that we will make further significant improvements to our energy consumption.

Comparison of SECR reporting period 2023/24 with the previous year shows an increase in electricity consumption by 627MWh. When converted into carbon dioxide equivalent emissions this is an increase of 129 tCO2e or 7%. Gas consumption during 2023/24 decreased by 1,938MWh compared to 2022/23. Emissions from gas decreased by 355 tCO2e compared to 2022/23, which is a 33% reduction. Comparison of 2023/24 with 2018/19 shows a 51% decrease in emissions from gas consumption; we have worked hard to maintain this pace of reduction and continue to be committed to reducing our gas emissions. Work continues to reduce our electricity consumption, with ongoing and planned projects including replacement of auditorium lighting with LED and upgrade of the Building Management System.

Based on the parameters measured by SECR, across the whole estate in 2023/24, electricity accounted for 71% of total annual energy demand and natural gas accounted for 29%. This composition of energy use is changing annually and reflects the projects we have undertaken and our reduction in gas use; the balance previously being 53% electricity and 47% gas in 2018/19. It is intended that this composition will continue to move more towards electricity as we move to decarbonise our energy consumption.

Finance and Governance

The Royal Ballet and Opera strives to present an ambitious programme of work while balancing its books on unrestricted general funds in each full financial year.

The results for the period are set out in the consolidated statement of financial activities. Note 1 to the financial statements sets out the basis on which these financial statements have been prepared.

The Board of Trustees received Management Accounts at each Board meeting. The Royal Ballet and Opera's forward plans include a set of outcomes and related KPIs, agreed with the Executive team and Board of Trustees. KPIs included: public engagement across performances, digital activity and learning and participation initiatives; diversity of audiences, participants, staff and artists; results against budget; and environmental performance. Performance against the KPIs is reviewed in detail at the end of each year.

Additionally, Arts Council England receive Management Accounts and cashflow reports on a monthly basis, enabling them to closely monitor progress against financial targets throughout the year.

The important continuing investment from Arts Council England enables the undertaking of a range and depth of work and investment in new work, artist development, craft excellence, engagement and access, which could not be sustained otherwise.

Financial review – 2023/24

Our mixed funding model is a strength – comprising public and private support, box office, and other commercial activities – and we will make the best use of our diversified income sources at a time of ongoing economic uncertainty. We already generate the vast majority of our own income, and through our Bridging the Gap strategy we continue to focus on increasing commercial revenues, stretching fundraised income and reducing operating costs through business transformation, all while staying committed to our core objectives and mission.

Our audiences broadly returned to pre-pandemic levels and we achieved 95% occupancy and delivered 80% financial capacity, with the latter impacted by changed audience booking behaviours and some targeted discounting. Overall, our box office income was only slightly off its highest ever target and we achieved £54.5m (*52 week period ended 27 August 2023: £52.6m*). We continued to benefit from the extension of the higher rates of relief for Theatre Tax Credit, £16.5m (*52 week period ended 27 August 2023: £20.6m*), a vital support to our post pandemic recovery, enabling us to rebuild investment in new work in future seasons and provide expanding employment opportunities for creatives.

As a National Portfolio Organisation (NPO), a grant of £22.3m (*52 week period ended 27 August 2023: £23.6m*) was received from Arts Council England, representing 15% of total (unrestricted) income (*52 week period ended 27 August 2023: 15%*). Additionally, the Royal Ballet and Opera is one of only four National Portfolio Organisations to be awarded funding from Arts Council England to lead the Bridge programme for Bedford Borough, Central Bedfordshire, Luton, Hertfordshire, Essex, Thurrock, Southend, Dartford, Gravesham, Swale and Medway. Funding of £0.7m was received in the current year (*52 week period ended 27 August 2023: £0.7m*).

Excluding income within the Endowment, a fundraising income target of £34.4m (*52 week period ended 27 August 2023: £27.7m*) was set against fundraising activities in the development department for the period and this target was exceeded with funds raised of £50.2m (*52 week period ended 27 August 2023: £33.4m*), £9.5m of which was received in support of capital projects.

Our trading subsidiary, Royal Opera House Enterprises Limited, recorded an operating profit before tax of £5.9m for the 52 week period ended 25 August 2024 (52 week period ended 27 August 2023: £4.9m). These figures are now ahead of results pre-Covid-19.

As for our costs, like others we were faced with the impact of prolonged higher rates of inflation and increased utilities costs. As an accredited London Living Wage employer with staffing costs representing 45% of total expenditure excluding depreciation, the upward pressure on salaries was acutely felt. All of these factors had significant implications for an operation that runs on such tight margins.

Expenditure on tangible and intangible fixed assets sits outside our statement of financial activities, but we must fund this either through donations or reserves. During the year, we spent £10.9m (*52 week period ended 27 August 2023: £7.2m*) in the first year of our capital investment programme, focussing on the stage infrastructure, urgent building issues and critical business systems, with a further £4.8m committed at the year-end.

The overall result for the charity's Unrestricted general funds was overall nil movement from the previous year. On a group basis, Unrestricted general funds at 25 August 2024 were £4.1m *(52 week period ended 27 August 2023:£4.2m)* after transfers from Restricted funds of £9.8m *(52 week period ended 27 August 2023: £0.6m)* and net transfers to Unrestricted Designated funds of £10.0m *(52 week period ended 27 August 2023: £10.0m)*. Refer to Note 20.

At 25 August 2024 unrestricted funds were £234.1m *(27 August 2023: £222.9m)* before Unrestricted pension reserve deficit of £11.9m *(27 August 2023: £12.8m)*. There is £228.3m *(27 August 2023: £218.3m)* held in Unrestricted Designated funds.

At the end of the period Restricted fund balances were £9.0m *(27 August 2023: £9.2m)*. For further details refer to Note 20. At the end of period the Endowment fund balance of £56.7m *(27 August 2023: £52.3m)* is represented by restricted capital assets of the Royal Opera House Endowment Fund 2000.

The Royal Ballet and Opera group held positive cash and short term deposit balances throughout the period. Unrestricted cash held at the period end was £101.6m *(27 August 2023: £80.8m),* which included advance bookings held at the period end of £13.7m *(27 August 2023: £11.1m)*. The overall increase in cash balances, including those with a notice period of 6 months, was a result of the return to pre-Covid business levels and the impact on working capital. This cash is needed for our planned estates and infrastructure works, with our forward plans showing a decrease in cash balances in each subsequent year.

Looking ahead, we continue to face challenging financial pressures including inflation, which is still above the 2% Bank of England target, and our reduced grant from Arts Council England remains flat until March 2027. We began the first phase of critical long-term investment in our stage infrastructure and the fabric of our building. This is necessary to mitigate risks of equipment failure which could lead to performance cancellations, as well as to protect the heritage of our Grade I listed building. It is to ensure our spaces remain fit for purpose, welcoming and safe for the 1m people who come through our doors each year, both ticketed and non-ticketed alike. Repayments on our Cultural Recovery Fund (CRF) loan commence in March 2025, with annual repayments totalling £1.6m. When combined with the increased National Insurance from April 2025, our business model will have to find at least a further £3m+ in cash resources annually to maintain the same level of operations.

The following operating statement, which excludes Endowment income and expenditure and capital fundraising and expenditure, illustrates the tight margins of our model and demonstrates the impact of these increased pressures.

Operating Statement, excluding Endowment & capital	**2023/24 £'000**	**2022/23 £'000**
Income		
Operations of the Royal Opera House	**80,273**	**80,292**
Donations and legacies, excluding capital	**42,262**	**35,098**
ACE grants	**22,942**	**24,302**
Commercial trading	**23,217**	**20,882**
Investments and other	**3,461**	**2,766**
Total income	**172,155**	**163,340**
Expenditure	**(171,335)**	**(154,474)**
Net income / (expenditure)	**820**	**8,866**

Reserves

The Trustees regularly review reserve levels, and designated the following amounts at the period end:

- Fixed Asset and Heritage Asset funds including Revaluation fund, of £161.6m and £7.3m respectively, equivalent to the tangible and intangible fixed assets owned by the charity, plus those fixed assets that were approved in the season but not fully completed.
- Designated Future Project Fund of £61.0m. This fund comprises specific amounts put aside for future activity, which includes a fund of £41.7m towards our capital investment needs over the next two financial years *(27 August 2023: £30m)*. Other designations include a fund for investing in the artistic programme and new works (£10.3m), and funds to bridge the financial gap as we grow our revenue streams and realise savings from our programme of business transformation (£9m).

The level of free reserves (represented by the Unrestricted General fund) at 25 August 2024 of £4.1m *(52 week period ended 27 August 2023: £4.2m)* equates to only 2.8% of current unrestricted incoming resources. The Trustees agree that a higher level of reserves is desirable in order to protect against reductions in box office and fundraising income, economic uncertainties, unforeseen events and further reductions in public funding. The Trustees review the level of free reserves annually, and considering the financial model of the charity, core expenditure and levels of cash held in advanced bookings, have held a target level of free reserves of £10m for the last several years. However, Trustees acknowledge that any increase to free reserves over the medium term will be unlikely due to the combined impact of the challenging economic environment and the identified needs for the programme of estates works. As the current financial strategy is to budget for a minimum £4m contingency in annual budgets while building designated funds for specific, future, longer term planning, the Trustees will consider increases to the free reserves when possible in order to make progress towards the £10m target.

The total funds held at 25 August 2024 was £287.9m *(27 August 2023: £271.7m)*. The designated Future Projects Fund (£61.0m) is likely to be spent in the next two years, in support of our urgent capital investment needs, artistic programme and business transformation.

Levels of unrestricted funds, both current and forecast, are monitored closely to ensure they remain at an adequate level in order to provide financial flexibility and a buffer against operational risk.

Pension scheme

In line with the requirements of FRS 102 S28 'Employee Benefits', the Royal Ballet and Opera's defined benefit Pension Scheme liability and related costs are included in these financial statements. Within the Statement of Financial Activities employer contributions as determined by the actuary are recorded as an operating cost in the unrestricted general fund. The charge to the Statement of Financial Activities is £0.6m less than contributions (52 week period ended 27 August 2023: £0.4m less than contributions), in accordance with FRS 102 (refer to note 24 of the financial statements). The actuarial gain, net of actual return less interests on plan assets for the period was £0.3m (52 week period ended 27 August 2023: £0.9m). The net pension liability at the period end was £11.9m (27 August 2023: £12.8m), with the improvement from the prior period driven by the significant rise in the discount rate in excess of returns on scheme assets, all as part of the actuarial assumptions. It is important to note that the liability represented by this value (being based upon actuarial assumptions) will alter in response to changes to the future funding and structure of the pension scheme (as well as to economic and investment market conditions) and does not crystallise in the short or medium term.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest funds not immediately required for its purposes in such investments, securities or property as may be considered appropriate by the Trustees. Aside from balances held with the Royal Ballet and Opera bankers, Coutts & Co., monies are only invested in funds that are regulated by the FCA.

The Trustees of the Royal Opera House Endowment Fund 2000 have no restrictions on their investment powers and are permitted to invest and reinvest the Trust Fund, providing the objectives and purposes of the charitable fund are met, and subject to such consents as may be required by law.

The Trustees reviewed and agreed an Investment Policy in line with the Charity Commission Guidance CC14. This is not shown in full in the accounts but a summary of the key investment objectives are as follows:

- Generate investment income to support the grant income available to support the Royal Opera House Covent Garden Foundation; and
- Deliver capital growth to maintain the real value of investments for future years.

To achieve the above objectives, the Trustees have set the investment benchmark of a blended return of CPI +3.5% on a rolling basis.

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, alongside 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.

Going Concern

The Trustees must satisfy themselves as to the Royal Ballet and Opera's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Board of Trustees have considered business plans and budgets based on an artistic programme of activity to August 2026, supplemented by outline plans in other areas. These plans show the impact of the challenges ahead given the external environment, the impact of inflation and the increase in National Insurance contributions. In the Board's assessment of going concern they have taken into consideration whether the Royal Ballet and Opera has adequate resources to meet its obligations as they fall due in and beyond the 12 months from the date of approval of these financial statements.

In assessing going concern, the Board considered the financial impact of any shortfall in fundraising and trading income, and the impact of further increases on costs in excess of current plans. Whilst the Trustees are confident that these risks have adequate mitigation to ensure the Royal Ballet and Opera remains a going concern, the modelling shows that there is sufficient liquidity to August 2026 excluding mitigations.

After consideration of the scenarios, the Trustees consider that the Royal Ballet and Opera (Group and Parent Charitable Company) has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason, the financial statements of the Group and Parent Charitable Company have been prepared on a going concern basis.

2023/24: Risk Management approach

During the period the Trustees have operated a risk management strategy which comprises:

- Review and assessment by the full Board of Trustees of the risks which the charity may face and the approach to risk management.
- The establishment of systems and procedures to mitigate those risks identified.
- Detailed review of the overall risk landscape by the Audit and Risk Committee, including Strategic Risk, Health, Safety & Security, and Technology and Cyber Security matters.
- Procedures designed to minimise any potential impact on the Charity should any of those risks materialise.

The governance and management of risk is divided between **Strategic risk** and **Operational risk.**

Strategic risk is reviewed by the Executive at meetings regularly throughout the year and is linked to the RBO Plan. The Executive considers each risk against its agreed risk appetite and reviews existing mitigations and planned actions. **Operational risk** is reviewed and updated by the Operational Risk Group which meets three times a year and operates under clear terms of reference. The membership of the Operational Risk Group is made up of senior managers from across the Royal Ballet and Opera with representation from all departments. The Chief Financial Officer attends the Operational Risk Group meetings and a regular report is produced and discussed with the Executive. Additionally, risk is reviewed across specific projects and monitored regularly throughout the year including Health & Safety, Capital & Estates, Planning & Scheduling, major projects, as well as an extensive risk assessment regime throughout the organisation.

Strategic Risks
At its annual review of risk management, the Board discussed the strategic risks and assured themselves of the adequacy of controls and mitigations in place. These are listed below:

1.	Access to diverse and creative talent	Inability to attract and work with exceptional talent to deliver a high-quality programme owing to insufficient/inadequate training pathways, inability to pay competitive fees and salaries, post-Brexit visa regime, reputational concerns or reduction in range of repertory. Mitigated by a range of talent development initiatives including for performers (Jette Parker Artists for singers, Aud Jebsen Dancers and Overture for orchestral players); also, workforce diversity strategies, expanded apprenticeship programme, fair pay (including a benchmarking exercise), new Freelance Community Charter, advocacy on employment issues and a multi-layered staff engagement programme.

2.	Reputation	Actual or perceived drop in innovation investment, artistic quality and access to talent, or association with an individual or organisation whose reputation becomes damaged, impacting all income streams and our ability to attract talent. Also, perceptions of irrelevance, including commitment to diversity and accessibility. Mitigated by balanced programming supported by: - Production evaluation process, including tracking audience, social media and press response. - Updated Production Reputational Risk framework. - Retaining most high-profile new works and prioritising new commissions. - Creative diversity central to Company and L&P strategies. - Increased political engagement across the main political parties (including work with the Opera and Music Theatre consortium to strengthen sector collaboration). - Additional Board support with Lisa Burger now supporting Sir Lloyd Dorfman on leading EDI.
3.	Earned income	**Customer spend not maximised** Mitigated by: - Box office pricing initiatives to optimise yield whilst continuing to focus on accessibility. - Continued innovation and fine-tuning of offer. - Monthly strategic meetings; mystery shopper; catering consultant review; strong relationship across senior team. **Reduced philanthropic giving** Mitigated by continued implementation of the new strategy established in summer 2023, including an advocacy campaign with philanthropy at its heart. **Overall business model unsustainable in future economy** Mitigated by Bridging the Gap strategy in place: grow commercial, fundraising and corporate partner income and reduce operating costs via business transformation.
4.	Public investment	Risks are further reduction in ACE funding from April 2027. Mitigated through continuing to deliver excellence and public value, and though enhanced advocacy to make the case for investment in the arts (and RBO) more cogently (continuing to leverage the McKinsey analysis of the economic and social impact of the arts sector – HERE). And collaborating with ACE to support DCMS to make the best case to Treasury for arts funding in the 2025 Spending Review.
5.	Cost control	Poor cost control risks a growing deficit to the point we can't deliver our objectives, exacerbated by the recent Budget including the increase in employers National Insurance. Mitigated by: - Business Transformation programme including tech, digital strategy investment, business processes, culture change. - Strengthened procurement policies and controls, including e-procurement and tenders. - A capital / estates plan with cost reduction baked in.
6.	Health, safety and physical security	Serious injury or fatality; Legal challenge and resulting damages. Mitigated by a wide range of measures focused on: - Inherent risks of theatre (working at height for example). - Terrorist attack. - Cyber-attack. - Organisational culture. - Resource constraints. - Working practices and systems. - Facilities and equipment.

7.	Capacity to deliver programme	Inability to deliver planned programme, including digital, touring and other related revenue; Loss of staff goodwill, leading to pressure on industrial relations, retention, absenteeism and costs; Breach of health and safety. Mitigated by a wide range of measures focused on ensuring: - Effective and sufficient staff resource. - Fit-for purpose working practices and systems. - Maintenance of facilities or equipment.
8.	Equipment failure	Cancellation of a performance or digital event; Customer dissatisfaction with digital experience, impacting revenue; Increased energy and maintenance costs due to aging infrastructure; Loss of customer records. Mitigated by a Capital & Estates Plan focused on addressing: - Technology failure. - Estates failures. - Stage Equipment failure.
9.	Business continuity	Impact on business from a global catastrophic event such as another pandemic, terrorist attack or cyber attack, resulting in an inability to trade or operate the business. Mitigated by wide range of measures focused on: - Disaster recovery plans for a variety of scenarios. - Information technology resilience plans. - Business and cashflow plans.

Trustees' duty to promote the success of the Charity – Section 172 Statement

Section 172 of the Companies Act 2006 requires the trustees to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes.

The Companies Act 2006 requires The Royal Ballet and Opera, as a large company, to report on how trustees have complied with Section 172 and other linked matters.

Section 172: the Trustees must promote the success of the charity to achieve its charitable purposes by having regard to:

(A) The likely consequences of any decision long term

The current RBO Plan approved by the Trustees sets out four priorities which are aligned with the investment principles as set out by ACE and the actions and performance indicators for each over the period 2023-27.

These four principles are:

- Artistic Excellence
- Diversity and Inclusion
- Long Term Financial Viability
- Resilience

All the decisions made by Trustees are predicated on the desire to achieve these long term aims. The needs of all our beneficiaries: our current and future audiences as well as the many participants in our educational programmes as well as our other key stakeholders: our staff, our freelancers, the Arts Council England and donors, are vital to the success of our strategic plans.

Trustees also keep under review the charity's principal risks and opportunities and ensure that our plans can adapt to respond to changes as required. These are set out on pages 29-31 of this report.

The new RBO Plan was approved by Trustees in 2024

(B) The interests of the Charity's staff

The Trustees recognise that it is its staff and artists that make the Royal Ballet and Opera such a remarkable institution. Considering and protecting their interests is crucial to the success of RBO and our decision-making processes takes this into account.

Three trade unions are recognised with whom we work closely and consult.

(C) The need to foster the charity's business relationships with suppliers, customers and others.

It is important for RBO to ensure that we engage with our customers whether they are audiences in our theatre or the participants in our Learning and Participation programmes or simply those who visit RBO. The Executive team regularly receives information on the audience feedback as well as detailed feedback from teachers and other educational participants. RBO also communicates with our audience and those who are part of our membership programmes with targeted information according to their preferences whilst at the same time being mindful of data privacy concerns.

Our procurement function ensures that we deal with suppliers fairly and in a professional manner. We also develop strong working relationships with key suppliers who are able to work with us to best support and maintain our unique building.

(D) The impact of the charity's operations on the community and the environment

Trustees and Management recognise that sustainability and the environment are at the centre of our activities

and currently we are continuing work on a sustainability plan which is being implemented at all levels of RBO. This is set out on pages 22-24. RBO also works with both our local community but also communities elsewhere in the UK. We have long term partnerships in Thurrock as well as in Doncaster where we aim to foster community engagement with our artforms. We are participating in Bradford's City of Culture programme for 2025.

(E) The desirability of the charity maintaining a reputation for high standards of business conduct

The Trustees recognise that RBO's reputation is critical both to its success and its obligation to maintain the highest standards given our position in the UK arts and charity sectors. Having adopted the Charity Governance Code in 2021, the trustees review this annually as part of their regular governance review.

There are a number of policies in place to promote corporate responsibility as well as ethical behaviour including anti-fraud and bribery, modern slavery, safeguarding, conflicts of interest, bullying and harassment, as well as donation and income acceptance. Summaries of all these policies are available on RBO's website.

RBO Values and Behaviours continue to underpin our recruitment and induction processes as well as how we conduct our activities on and off stage. Our procurement strategy embeds ethical standards in our supply chain as well and health and safety and safeguarding compliance.

(F) How trustees have engaged with other stakeholder, e.g. service users, beneficiaries, funders and the wider community

We have outlined elsewhere in the report, and in this statement, how we engage with suppliers, staff, the wider community, customers and other users.

Our donors are a critical part of our success. This has been especially true in the current climate of rising costs including our energy costs and the decrease in our government grant. We continue to actively engage with all our donors at all levels. We receive significant funding from the Arts Council England (ACE) and it is an essential part of our financial wellbeing. We have a strong working relationship with ACE and keep them regularly informed on all aspects of our activities including having a representative attend some Board meetings.

(G) The need to act fairly as between members of the Charity and how directors/trustees have engaged with staff and taken account of their interests

We want to make sure we are able to attract and develop talented people who contribute more, precisely because of the breadth of their different backgrounds, experiences, cultures and outlooks.

Recruiting and working with those talented people is just part of the work. We know that we need to create an environment where everyone believes they belong and can do their best work. Achieving inclusion requires inclusive leaders with the ability and desire to continually seek feedback, really listen and then act to establish a culture where difference is genuinely valued. We commit to regularly measuring our progress, holding our leadership team accountable for achieving our goals but we acknowledge that we must learn as we go.

Equality, Diversity and Inclusion

Our EDI commitments fall under six themes: Representation, Talent Pipelines, Individual Voices, Authenticity, Access and Governance.

- REPRESENTATION - Our stages and events will better reflect and celebrate a diversity of communities and experiences
- AUTHENTICITY - We will engage more proactively with communities to ensure that our portrayals of diverse cultures are respectful and authentic

- TALENT PIPELINES - We will do more to attract and nurture wider talent pools, particularly in those areas of our work where gender, ethnic diversity and disability are currently under-represented
- INDIVIDUAL VOICES - We will respect everyone as individuals and ensure equal access to the support needed for people to perform at their best. We will be sensitive to different lived experiences and will seek and listen to different cultural perspectives
- ACCESS - We will do more to improve the access to and visibility of our work to communities who have historically had less engagement with our artforms and remove or reduce any practical barriers to access for our audiences and workforce
- GOVERNANCE - We will do more to develop the skills required to lead our EDI work with cultural competence and confidence, and ensure we have effective policies and procedures in place to support our values and behaviours:

Monitoring Progress

The Royal Ballet and Opera's Board of Trustees and Executive Team are responsible for the delivery of this strategy. Assessment of our success will be data driven, and high-level KPIs for EDI have been embedded in RBO's Business Plan. Transparency with staff on our plans and progress is key. We will consult with the Staff Diversity and Inclusion Network before this strategy and future updates are finalised and will report back formally to staff twice a season. This strategy was formally considered by the Board in December 2023 and approved.

ACKNOWLEDGEMENTS

In the 2023/24 Season we worked with a large number of organisations and we would like to thank them all for their partnership:

Arts Council England
Askonas Holt
Ballet Black
Birmingham Royal Ballet
Bradford Cathedral
British Broadcasting Corporation
British Youth Opera
Britten Pears Arts
Brno National Theatre Ballet
Bundesjugendballett
Charles Court Opera
Cineworld
City Lit
Clonter Opera
CNN
Cologne Opera
Creative UK
Curzon
Die Nederlandse Opera
Elizabeth Connell Prize
English National Ballet
English National Ballet School
English Touring Opera
Everyman
Fallen Angels Dance Theatre
Festival d'Aix-en-Provence
Flock Theatre Makers
Gran Teatro del Liceu, Barcelona
Greek National Opera
Gothenburg Opera
Guildhall School of Music & Drama
Hans Gabor Belvedere Singing Competition
Houston Grand Opera
Irish National Opera
Korean National Ballet
La Monnaie, Brussels
La Scala, Milan
Les Théâtres de la Ville de Luxembourg
Lisa Gasteen National Opera Program
Little Bulb
London Handel Festival
Lyric Opera of Chicago
Magpie Dance
Morley College
Mt. Fuji International Opera Competition of Shizuoka
National Opera Studio
National Theatre Brno
National Youth Ballet
NBS-Japan Performing Arts Foundation
NCPA Beijing
Neue Stimmen
New English Ballet Theatre
New Note Orchestra
Northern Ballet
Norwegian National Ballet
Norwegian National Ballet 2
Nouvel Opera Fribourg
Odeon
Opera Australia
Opera Ballet Flanders
Opera Comique, Paris
Opera National de Paris
Opéra National du Rhin, Strasbourg
Opera Story
Opera UCT
Operanhaus Zurich
Paris Opera Ballet
Place2Be
Rambert School
Royal Academy of Music
Royal Birmingham Conservatoire
Royal College of Music
Royal Conservatoire of Scotland
Royal Northern College of Music
San Francisco Opera
Sarasota Ballet
Scottish Ballet
Semperoper Dresden
Shanghai Arts Group
Society of London Theatre
St Paul's Cathedral
Studio Wayne McGregor
Sydney Dance Company
Teatro di San Carlo, Naples
Teatro Real, Madrid
The Aotearoa New Zealand Opera Studio
The Australian Ballet
The Ballet Association
The Barbican
The Frederick Ashton Foundation
The Metropolitan Opera, New York
The National Ballet of Canada
The Royal Ballet School
Thick and Tight
Tonic
Trafalgar
Ukrainian Catholic Eparchy of the Holy Family
Ukrainian Cultural Centre of Bradford
Ukrainian Social Club
Unicef Rights Respecting Schools Alliance
UK Theatre
Vue
Yorke Dance Project
ZooNation Youth Company

STRUCTURE, GOVERNANCE AND MANAGEMENT

Directors and Trustees
The directors of the charitable company ('The Royal Ballet and Opera' or 'the charity') are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who held office during the period and since period end were as follows:

Sir Lloyd Dorfman CVO CBE (Chair)
Zeinab Badawi
Caroline Britton
Lord Browne of Madingley (Senior Independent Director since 25 August 2024)
Lisa Burger CBE
Timothy Bunting
Kirsty Cooper (Senior Independent Director – retired 25 August 2024)
Philipp Freise (appointed 7 December 2023)
Susan Hoyle OBE
Daniel Ison (appointed 1 September 2024)
Vanessa Kingori OBE (retired 21 March 2024)
Stephen Lucas (appointed 1 September 2024)
Dame Carolyn McCall DBE (appointed 10 December 2024)
Paul Morrell OBE (retired 25 August 2024)
Farah Ramzan Golant CBE (appointed 10 December 2024)
Indhu Rubasingham MBE (retired 25 August 2024)
Alan Stanton OBE (appointed 8 October 2024)
Joanna Streeten (appointed 21 May 2024)
Alistair Summers (appointed 8 October 2024)
Janis Susskind OBE
Christopher Townsend CBE (retired 25 August 2024)
Michael Ward (retired 25 September 2024))
Danny Wyler (retired 25 August 2024)
Sir Alex Younger KCMG

Chief Executive
Alex Beard CBE

Company Secretary
Leah Hurst

Governing Document
The Royal Opera House Covent Garden Foundation is a company limited by guarantee (company number: 00480523) governed by its Memorandum and Articles of Association, which were last amended on 5 October 2021. It is registered as a charity at the Charity Commission (charity number:211775).

Charitable objects
Our charitable objects, as stated in the Royal Ballet and Opera governing document, are:

> 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 achievement of our aims as listed in the pages above (pages 12-21) enable us to fulfil our charitable objects and therefore our legal purpose.

Public benefit

The Trustees refer to the Charity Commission's general guidance on public benefit when shaping and reviewing the Charity's aims, objectives and future strategies. In setting the level of ticket prices, charges and concessions, and in developing digital and broadcast distribution, the Trustees give careful consideration to the accessibility of the Royal Ballet and Opera to those on low incomes. As outlined in this report, this is addressed through maintaining a wide range of ticket prices, as well as through several ticket subsidy schemes, free events, digital and broadcast activity and an extensive learning and participation programme.

Appointment of Trustees

The Board of Trustees are responsible for the appointment of new trustees, who are appointed for an initial term of four years. The Nominations and Remuneration Committee has delegated authority to recruit Trustees who are formally elected at Board meetings and ratified at the next following Annual General Meeting of the Company. On the expiry of their initial term they may be re-appointed for additional terms expiring on or before the financial year end following either the second or fourth anniversary of the date of re-appointment. No Trustee shall be appointed for a term exceeding twelve years. The Trustees appoint a Chair for a term of five years or less and on expiry of such term he or she may be re-appointed for a second term of three years or fewer by approval of the Trustees provided that on expiry of such second term he or she shall, unless the Trustees otherwise exceptionally determine, retire from office. The Nominations and Remuneration Committee reviews regularly the structure, size, composition, diversity and succession needs of the Board, ensuring that the Board has the required blend of skills and experience and its remit is to identify, assess and formally recommend to the Board candidates for appointment as Trustees.

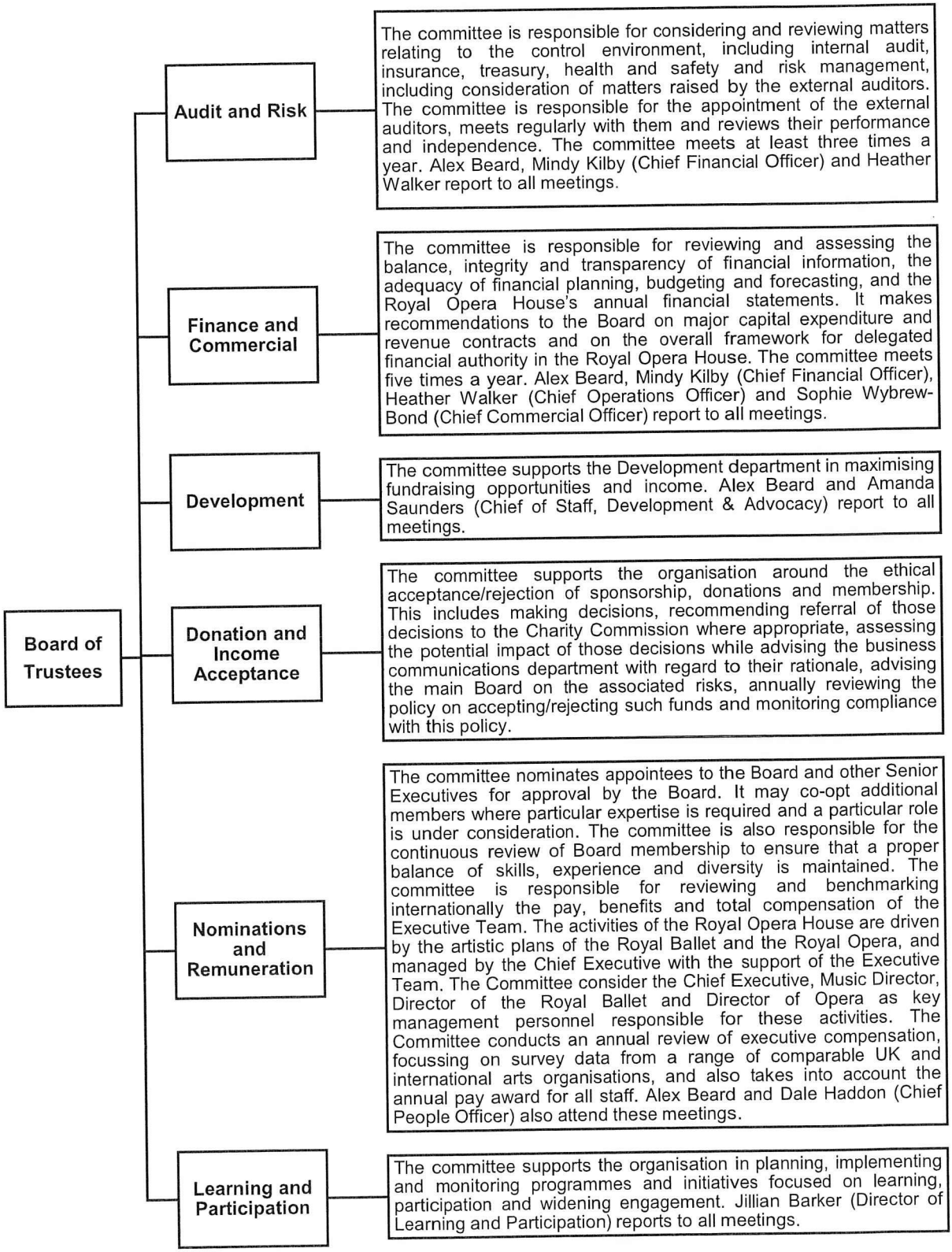
Trustee Induction and training

New Trustees undergo an induction session with the Company Secretary to brief them on their obligations under charity and company law, the contents of the Memorandum and Articles of Association, the board manual and the committee and decision-making processes. During the induction new Trustees are also introduced to key staff and other Trustees.

Organisation

The direction and control of the Royal Ballet and Opera is determined by the Board of Trustees, which meets at least six times a year. The role of the Board is to direct the Royal Ballet and Opera strategy and to ensure that the Royal Ballet and Opera is on the approved strategic course (including artistic strategy) and that it is properly and effectively managed.

The following sub-committees of the Board are established (which in the case of Finance and Commercial, Development and Learning and Participation, include members who are not Trustees).



Committee Membership

Board of Trustees	Audit and Risk	Finance and Commercial	Development	Donation and Income Acceptance	Nominations and Remuneration	Learning and Participation
Sir Lloyd Dorfman CVO CBE ★	●	●	★ Until 7 December 2023, then a member	★	★	
Zeinab Badawi				●		
Caroline Britton	★	●			●	
Lord Browne of Madingley		● Appointed 21 Mar 2024			●	
Timothy Bunting	●	★	●		●	
Lisa Burger CBE		●				
Kirsty Cooper	● Retired 25 Aug 2024			● Retired 25 Aug 2024		
Philipp Freise		● Appointed 8 Oct 2024	★ From 7 Dec 2023		● Appointed 7 Dec 2023	
Susan Hoyle OBE					●	★
Daniel Ison		●				
Vanessa Kingori OBE		● Retired 21 Mar 2024				
Stephen Lucas	● Appointed 8 Oct 2024		● Appointed 21 Mar 2024	● Appointed 8 Oct 2024		
Dame Carolyn McCall DBE		● Appointed 10 Dec 2024				
Paul Morrell OBE	● Retired 25 Aug 2024	● Retired 25 Aug 2024				
Joanna Streeten	● Appointed 9 Jul 2024	● Appointed 9 Jul 2024				
Alistair Summers	● Appointed 8 Oct 2024					
Janis Susskind OBE				● Appointed 8 Oct 2024		●
Michael Ward		● Retired 25 Sep 2024				
Danny Wyler	● Retired 25 Aug 2024	● Retired 25 Aug 2024		● Retired 25 Aug 2024		
Sir Alex Younger KCMG	●			●		

★ Chair ● Member

Non-Trustee Committee Members	Development	Nominations and Remuneration	Learning and Participation
Nicole Ronson Allalouf	●		
Alex Beard			●
Steven Berryman			● Appointed 6 Feb 2024
Rebecca Bollands			● Appointed 6 Feb 2024
Helen Bruckdorfer			● Retired 31 Dec 2023
Johanne Clifton			● Appointed 6 Feb 2024
Annie Crombie			●
Sir Mick Davis	● Retired 1 Oct 2024		
Dame Vivien Duffield		●	
Michael Engel	● Appointed 9 Jul 2024		
Mia Fenwick	● Appointed 21 Mar 2024		
Anthony Gutman	●		
Tanya Joseph			●
Yuanbo Liu	●		
Simon Pearson			●
Georgia Rankin	● Appointed 21 Mar 2024		
Jonathan Sands			● Retired 31 Dec 2023
Simon Toyne			● Appointed 6 Feb 2024
Sharon Watson			●
Bridget Whyte			● Retired 31 Jul 2024

★ Chair ● Member

Executive Team: the day-to-day management is the task of the Royal Ballet and Opera Executive

The Trustees appoint the Chief Executive and Music Director. Royal Ballet and Opera operations are managed by the Chief Executive with the assistance of an Executive Team comprising:

Alex Beard CBE, Chief Executive*
Peter Alesbury, Estates and Facilities Director
Jillian Barker, Director of Learning and Participation*
Heather Baxter, Administrative Director, The Royal Ballet
Helen Dunne, Orchestra Director
Dale Haddon, Chief People Officer*
Will Harding, Deputy Director, Production and Planning
Mark Heholt, Director of Policy and Strategy
Leah Hurst, General Counsel and Company Secretary
Peter Katona, Director of Casting
Koen Kessels, Music Director, The Royal Ballet
Ella Lewis-Collins, Audiences Director (from 01 December 2024)
Mindy Kilby, Chief Financial Officer*
Terry McGrath, Director of Audiences & Media (until 31 March 2024)
Tracey McNulty, Director of Information Technology (from 9 October 2023)
Oliver Mears, Director of Opera*
Kevin O'Hare CBE, Director, The Royal Ballet*
Christina Osterby, Director of Customer Innovation (until 20 December 2024)
Sir Antonio Pappano CVO, Music Director (until 25 August 2024)
Samantha Potts, Visitor Experience Director (from 13 December 2024)
Amanda Saunders, Chief of Staff, Development & Advocacy*
Cormac Simms, Administrative Director, The Royal Opera
Jane Storie, Commercial Director (until 13 December 2024)
Heather Walker, Chief Operating Officer*
Alice Whittaker, Fundraising Campaigns and Membership Director (from 01 February 2025)
Emma Wilson MBE, Director of Technical, Production and Costume
Sophie Wybrew-Bond, Chief Commercial Officer (from 03 January 2024)*

The Chief Executive (assisted by the Executive Team) is responsible for the development and implementation of the strategy and business plans of the Royal Ballet and Opera. The full Executive Team meets monthly to monitor artistic, operational and financial progress against plans approved by Trustees, with a smaller executive steering group (see * above) meeting weekly. It should be noted that where the title 'Director' is used in the above table this is an internal management term only and does not indicate directorship according to the Companies Act definition.

The Royal Opera Company and The Royal Ballet Company are internal divisions of the charity. The Royal Ballet has a Royal Charter dating in its original form from 1956. The Royal Opera House, The Royal Ballet and The Royal Opera Company have the Sovereign's permission to use the word 'Royal' in their titles.

We would also to thank the following for support, advice and encouragement throughout the year:
Honorary Vice Presidents
Dame Vivien Duffield
Sir Simon Robey

Honorary Trustees
The Countess of Chichester
Dame Gail Ronson

The Board of the Royal Opera House Endowment Fund
Dame Vivien Duffield, Chair
Caroline Britton, Timothy Bunting, Hamish Forsyth, Simon Freakley (appointed 20 March 2024), Lady Gavron, Sir Simon Robey

Board of Honorary Directors
Sir Lloyd Dorfman CVO CBE, Chair
The Countess of Chichester, Honorary Vice Chair
Dame Gail Ronson, Honorary Vice Chair
Danny Wyler, Honorary Vice Chair
Lady Ashcroft
Tim Ashley and John Booth
Mikhail Bakhtiarov
The BAND Trust
Mercedes T. Bass
Boodles - Michael Wainwright
The Deborah Loeb Brice Foundation
Tim and Sarah Bunting
John and Susan Burns OBE
Ricki Gail Conway
Sir Mick and Lady Barbara Davis
Baron and Baroness de Gunzburg
Sir Lloyd and Lady Dorfman OBE
Aline Foriel-Destezet
David Fransen
Alex and Elena Gerko
Kenneth and Susan Green
Sandra and Anthony Gutman
Charles and Kaaren Hale
Lady Hamlyn
Jane Hamlyn
Lady Heywood
Dr Catherine Høgel
Charles Holloway OBE
Alan and Caroline Howard
Huo Family Foundation
Aud Jebsen
Doug and Ceri King
Frances Kirsh
Mrs Alfiya Askar Abulkhair and Timur Kuanyshev
Bob and Tamar Manoukian
Dr Patrick Mueller
Bertrand and Elisabeth Meunier
Dame Marit Mohn
Mrs Susan A. Olde OBE
Stefan Sten Olsson
Jette and Alan Parker
Natalie Parker
Melinda and Donald Quintin
Julia and Hans Rausing
Yvonne and Bjarne Rieber
Sir Simon and Lady Robertson
Sir Simon Robey
Victoria Robey OBE
Rolex – Arnaud Boetsch
The Gerald and Gail Ronson Family Foundation
Veuve Clicquot – Alexei Rosin
Lady Sainsbury of Preston Candover
Kim Samuel
Dame Tina Taylor DBE
Lindsay and Sarah Tomlinson
Van Cleef & Arpels – Geoffroy Medinger
Yleana Arce Foundation
Anonymous (4)

The Royal Opera House Pension Fund: Richard Soper, Chair

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number

211775



Company number

00480523

PRINCIPAL OFFICE

Royal Opera House, Covent Garden, London, WC2E 9DD

AUDITORS

Crowe UK LLP, 55 Ludgate Hill, London, EC4M 7JW

BANKERS

Coutts & Co. 440 Strand, London, WC2R 0QS

INVESTMENT ADVISORS

Stonehage Fleming Investment Management Limited, 6 St James's Square, London, SW1Y 4JU

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

TCI Fund Management Limited, 7 Clifford Street, London, W1S 2FT

Schroder & Co. Limited T/A Cazenove Capital, 1 London Wall Place, London, EC2Y 5AU

ACTUARIES

(to the Royal Opera House Pension Scheme) **Lane Clark & Peacock LLP,** 95 Wigmore Street, London, W1U 1DQ

INTERNAL AUDITORS

To August 2024:

RSM UK Group LLP, 25 Farringdon Street London EC4A 4AB

From September 2024:

Ashby Associates, Thomas Harris 1929 Shop, Merton Abbey Mills, 18 Watermill Way, London, SW19 2RD

Group entities

On 25 August 2024 the group included the charity and:

Royal Opera House Endowment Fund 2000

Royal Opera House Enterprises Limited

ROH Holdings Limited

ROH Developments Limited

The consolidated financial statements include the results of these entities, as detailed in note 2. See note 2 for the principal activities of these entities.

Equality policy/statement

The Royal Ballet and Opera has an ongoing commitment to promoting diversity throughout all its work – as an employer, in the art we perform, and in the extent of our audience. We report annually to Arts Council England on our progress against an action plan, which is keenly monitored by the Board of Trustees.

Environmental strategy

It is the ambition of the Royal Ballet and Opera to be a leader in environmental sustainability and to act as a catalyst for positive change in this field.

Recognising our global reach and leadership role within the UK arts sector, we embrace our responsibility and obligation to reduce our impact on the environment and we aim to engage with our audiences, staff, suppliers and partners to raise awareness about sustainability issues. It is our belief that reducing our environmental impact will not only have a positive effect on the environment, but will also make our operations more efficient and economical and will enhance our organisational resilience in the long term.

Health and safety

The charity has a health and safety committee comprised of representatives from many departments. All new staff are issued with a health and safety policy document. In addition, under the supervision of the occupational health unit, there are trained first-aiders in all departments. A full report on Health and Safety is considered annually by the Board.

Staff

The charity informs and seeks the views of its staff by means of regular department meetings open to all staff and newsletters. Regular meetings are held with the recognised unions: BECTU (Broadcasting Entertainment Cinematograph and Theatre Union), The Musicians' Union and Equity.

Disabled persons

The charity encourages the employment of disabled persons. It is Board policy to ensure that continued employment is offered, wherever possible, to staff who become temporarily disabled and special arrangements are made for those permanently disabled.

Political and charitable contributions

The charity made no political contributions during the period. No charitable contributions were made during the period, other than as disclosed in Note 9 to the financial statements.

Payment policy

It is the charity's policy to pay suppliers in accordance with agreed credit terms. The Royal Ballet and Opera had trade creditors equivalent to 23 days supply at the period end *(52 week period ended 27 August 2023: 25 days).*

Fundraising statement

Our guiding principle for fundraising is to build secure, long term fundraising support from our members, encouraging their interest in our charitable work, allowing them to engage with our staff and projects and seeing how their additional gifts help us. Our fundraising materials are written and designed around this principle.

Fundraising activities include targeted direct mail, events and leaflets at promoting donations and bequests, donations through our website, and approaches to Trusts, Foundations, companies and individual benefactors.

Our fundraising is carried out by our in-house fundraising teams and we are a registered member of The Fundraising Regulator. We have procedures in place to ensure our staff and volunteers comply with fundraising standards and regulation; we are not aware of any failure by our staff or volunteers to meet these standards. We are committed to acting promptly if we receive any information indicating we have not met these standards.

In 2023/24 we received 5 complaints about suggested donations added to ticket purchases. If complaints are received we respond quickly and ensure corrective action is taken as required. If complaints are received about the suggested donations, these are refunded at the point of complaint.

We take our responsibilities on managing our contact data very seriously and we strive to ensure that our policies and procedures around data and processing meet our legal requirements, our high expectations and those of our supporters. As part of the risk-based audit plan and in line with our risk management processes, Internal Audit performs regular reviews of the Fundraising team activities and control environment.

We recognise the need to protect vulnerable people. We ensure comprehensive training is provided to ensure that empathy and respect are demonstrated towards people in vulnerable circumstances and that no donation is sought or gained from someone who may not have the capacity to make an informed and considered decision.

We respect our supporters' privacy and rights to decide how and if we contact them. We make it easy for supporters to choose how they want to hear from us, and if they ask us not to contact them we will not, unless it is a legal or administrative requirement.

Trustees' responsibilities statement

The Trustees (who are also directors of Royal Opera House Covent Garden Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected 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. Under company law 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgements 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 charitable group will continue in business.

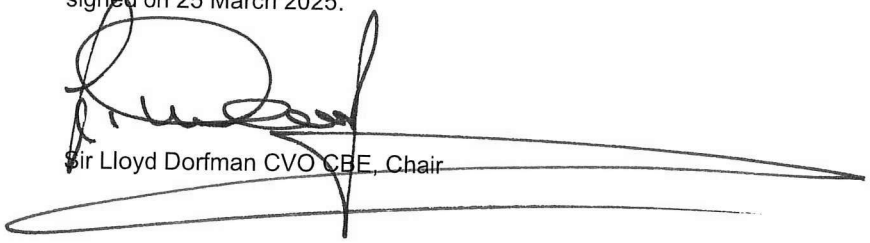
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Annual Report (incorporating the strategic report) was approved by the Board of Trustees and signed on 25 March 2025.



Sir Lloyd Dorfman CVO CBE, Chair

Independent Auditor's Report to the Members of Royal Opera House Covent Garden Foundation

Opinion

We have audited the financial statements of Royal Opera House Covent Garden Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the 52 week period ended 25 August 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated Balance Sheet, the Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows 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 group's and parent charitable company's affairs as at 25 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 Companies Act 2006.

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 charitable company 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 charitable company'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, 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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 49, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

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 charitable company and Group 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 Companies Act 2006 and 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 charitable company's and the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the Group 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, grant and donation income, the valuation and completeness of tangible fixed assets, the valuation defined pension scheme liabilities, 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 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members 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

ROYAL OPERA HOUSE COVENT GARDEN FOUNDATION

England & Wales - Charity number 211775

Accounts

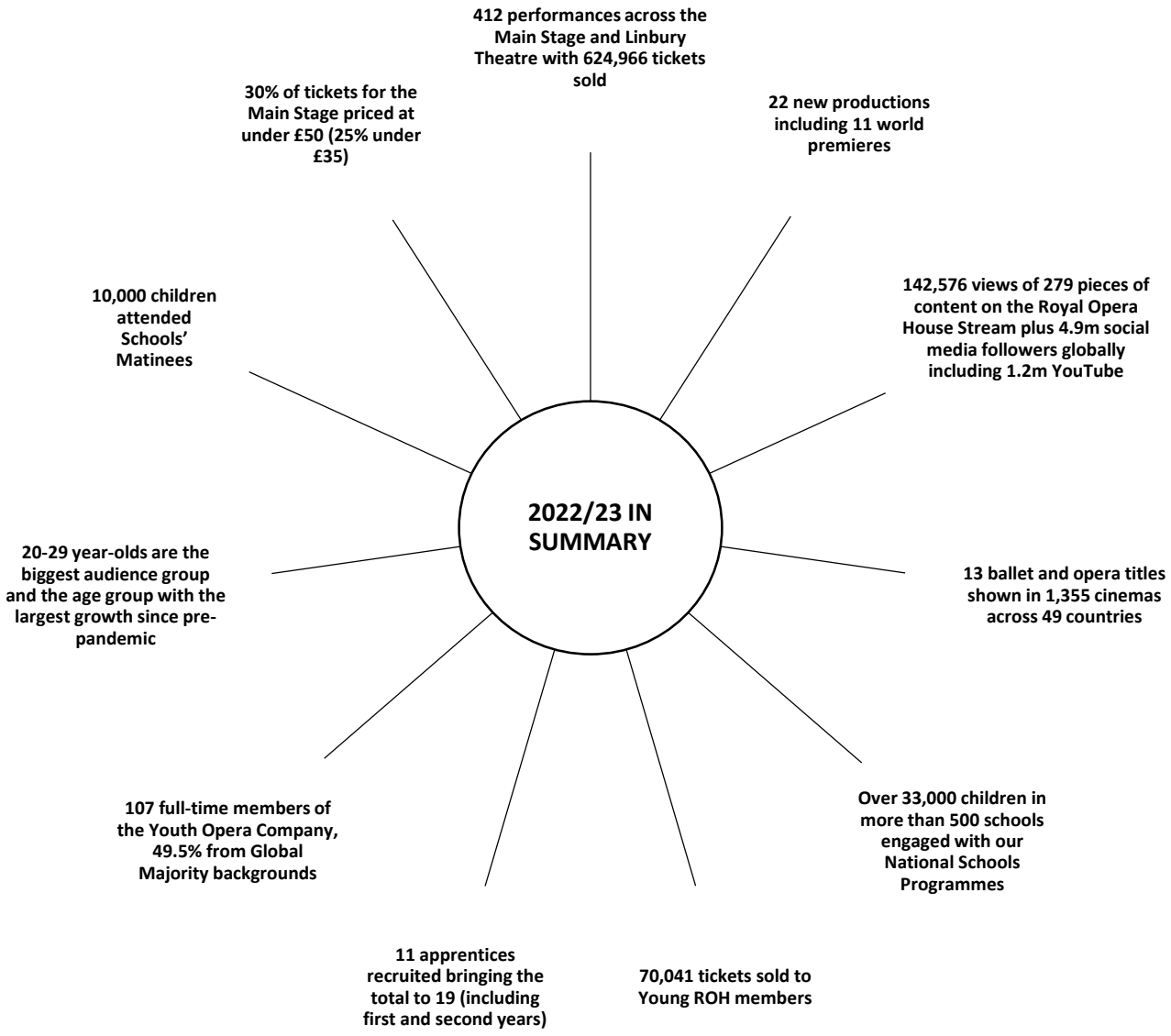


ROYAL
OPERA
HOUSE

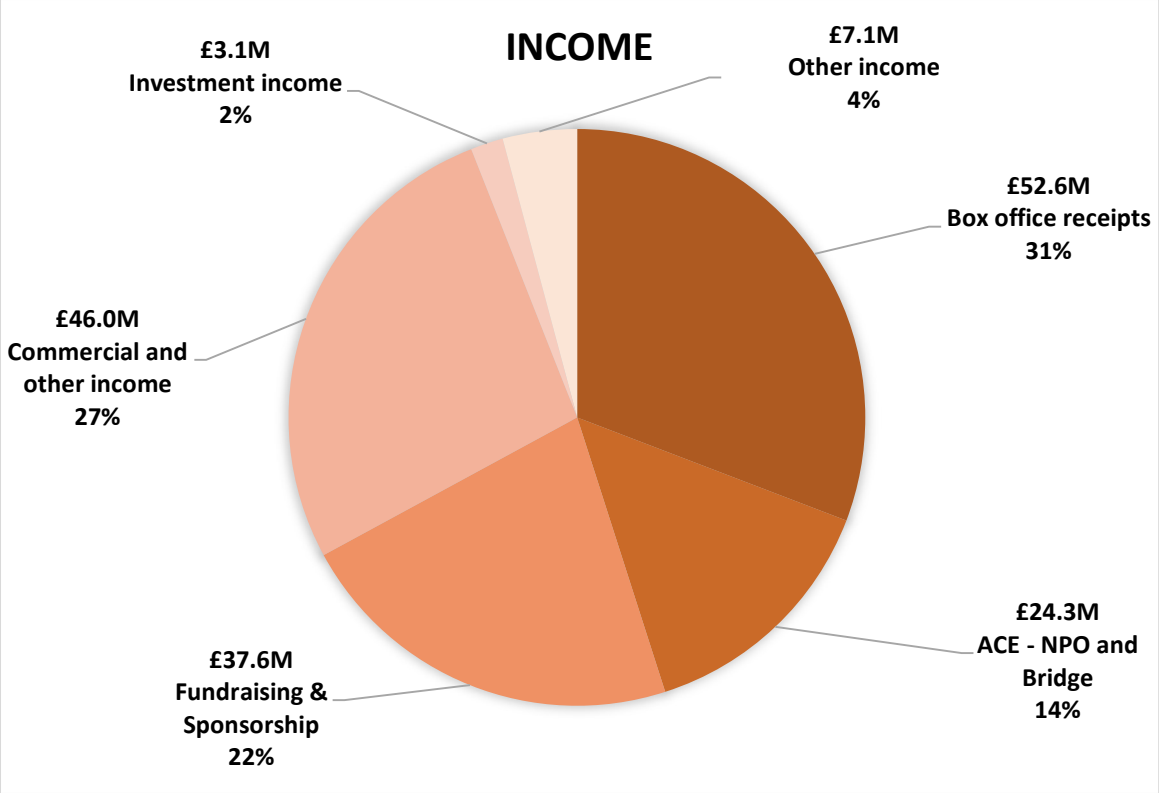
THE ANNUAL

REPORT

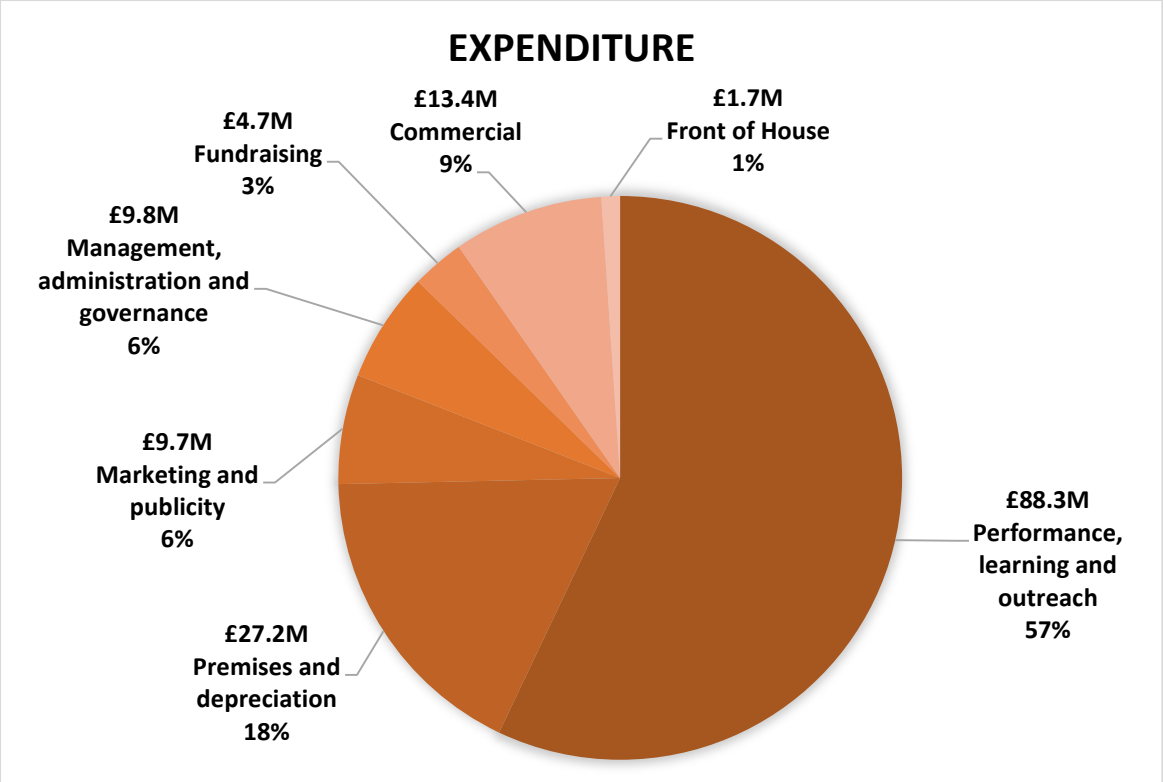
2022/23


2022/23 IN SUMMARY
412 performances across the Main Stage and Linbury Theatre with 624,966 tickets sold
22 new productions including 11 world premieres
142,576 views of 279 pieces of content on the Royal Opera House Stream plus 4.9m social media followers globally including 1.2m YouTube
13 ballet and opera titles shown in 1,355 cinemas across 49 countries
Over 33,000 children in more than 500 schools engaged with our National Schools Programmes
70,041 tickets sold to Young ROH members
11 apprentices recruited bringing the total to 19 (including first and second years)
107 full-time members of the Youth Opera Company, 49.5% from Global Majority backgrounds
20-29 year-olds are the biggest audience group and the age group with the largest growth since pre-pandemic
10,000 children attended Schools' Matinees
30% of tickets for the Main Stage priced at under £50 (25% under £35)

INCOME 2022/23

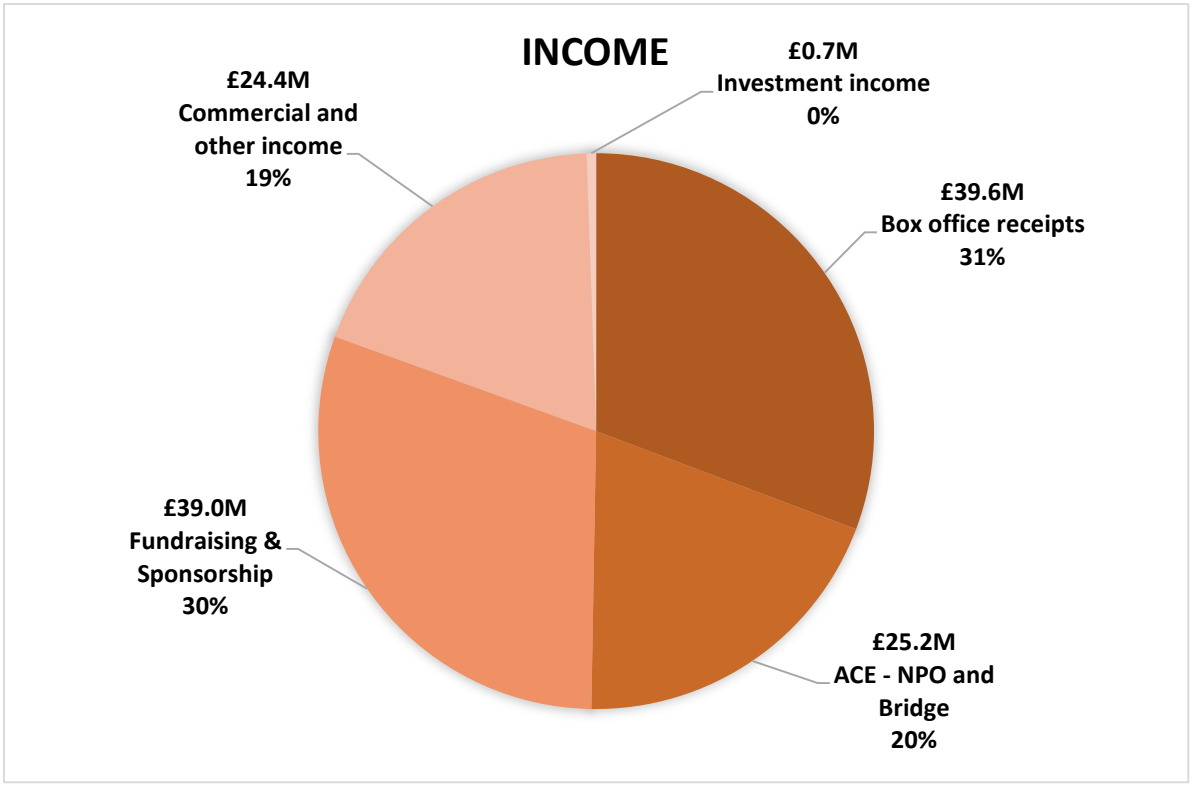


EXPENDITURE 2022/23

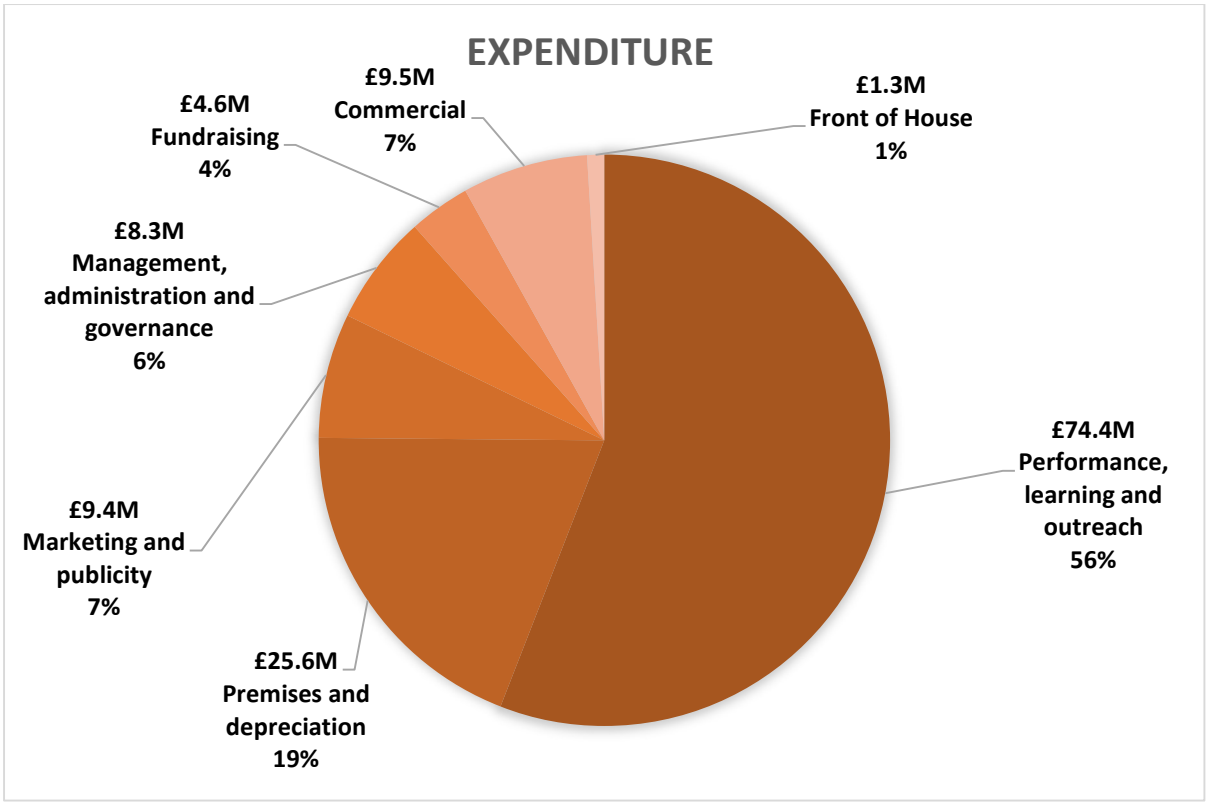


Total income £170.7m, including capital donations and funding of £0.5m. Total expenditure £154.8m, excluding capital expenditure. Figures exclude gains on investment, taxation and fund transfers.

INCOME 2021/22



EXPENDITURE 2021/22



Total income £128.9m, including capital donations and funding of £0.5m. Total expenditure £133.1m, excluding capital expenditure, includes exceptional grant of £3.8m from Paul Hamlyn Education Fund. Figures exclude gains on investment, taxation and fund transfers.

TIMESCALE FOR THIS REPORT

The Trustees are pleased to present their report together with the audited financial statements of the Royal Opera House 52-week period ended 27 August 2023.

The comparative period is the 52-week period ended 28 August 2022.

This document will be filed with the Charity Commission and the Registrar of Companies.

SIR LLOYD DORFMAN CVO CBE *Chair*

Welcome to the Royal Opera House Covent Garden Foundation (Limited by Guarantee) 2022/23 Annual Report.

The Royal Opera House occupies a unique place at the heart of the nation's artistic and wider cultural life. As a powerhouse of excellence, the work of the ROH extends far beyond the theatres in Covent Garden. It is a huge privilege to serve as chair and it is enormous gratitude to our supporters and great pride in our work that I reflect on the achievements of the 2022/23 Season.

Whilst the catastrophic closure of the House in the face of the pandemic was put behind us in the 2022/23 Season, the repercussions of that period were still being felt and were exacerbated by broader economic and other challenges. The costs of running our theatres have surged in the wake of a cost-of-living crisis that has impacted our entire industry as it has the whole economy. This has come alongside a significant real-term cut to our Arts Council England grant and the ever-more pressing need for capital investment in our ageing back-of-house infrastructure. It was a significant achievement to negotiate these challenges in the short term, and the determination, resilience and creativity demonstrated by this institution will stand us in good stead as we work to secure longer-term stability.

We could not have faced these deep-seated challenges without the generosity, commitment and support of our Friends, funders and audiences, all of whom play a critical role in the creation and sharing of the art we produce, and the value it brings to our society. I would also like to highlight particular appreciation of the government support we have received through its increase in Theatre Tax Credit rates. This move has played a pivotal role in our ongoing recovery. The recognition of the vital role cultural institutions play in the fabric of our society is heartening, and we express our deep gratitude for this support.

In looking to the future, we have embarked on a series of initiatives to ensure the financial security of the ROH in the longer term. We have focused on growing fundraising revenues, maximising box office income, and cultivating new commercial partnerships. The goal is to fortify our financial foundation and guarantee the continuity of this extraordinary artistic enterprise in the face of the many challenges that lie ahead. The progress we have made so far in these areas has been encouraging, but we are well aware this is not a single season project and we are making sure we are braced for a testing future.

Whilst we work to ensure our financial stability, we never forget the purpose behind it: to nurture the artistic excellence that underpins all that we do. This commitment extends across our two internationally acclaimed artistic companies and our wonderful orchestra. It encompasses both stages and resonates in the diverse and impactful work we share globally online and in cinemas, as well as in schools and communities around the country. I and the Board of Trustees remain committed to ensuring the ROH is a beacon of excellence at the heart of the nation's cultural life and that it continues to reach out to and inspire the next generation of ballet and opera practitioners and lovers of these wonderful art forms.

Sir Lloyd Dorfman CVO CBE
21 March 2024

ALEX BEARD *Chief Executive*

We were greatly saddened to learn of the death of Her Majesty Queen Elizabeth II on 8th September 2022. Her patronage of the Royal Opera House was a source of great pride to all our staff and artists and her longstanding support of the arts was deeply appreciated. In honour, the Royal Ballet dedicated its 2022/23 Season to her memory.

The 2022/23 Season was one of significant artistic achievement with 22 new productions, including 11 world premieres and 3 UK premieres, across the work of The Royal Ballet and The Royal Opera. The season was played out against the backdrop of a daunting financial landscape which was given an additional element of complexity by ongoing unrest around the world. All this only underlined the unwavering commitment to excellence that has characterised the work of everyone at the Royal Opera House as well as demonstrating their, and the organisation's, resilience in the face of adversity.

Of course, the work on stage and events in the wider world are closely connected. Not only in the direct financial sense of putting on a show or running an opera house, but in the vital role the arts play in reflecting, interrogating and commenting on the world around us, as well as bringing people together in a shared spirit of internationalism, community and creative endeavour. We take these responsibilities extremely seriously and the ballet and opera on our stages, online and in cinemas, and our extensive programme of work with schools and communities throughout the UK, is in service to this end.

In that spirit, The Royal Ballet opened its Season on the Main Stage with Crystal Pite's *Light of Passage*, which mesmerically illuminated global challenges from migration to the plight of the young and the old around the world. It was followed in the Linbury Theatre by the world premiere of Wayne McGregor's *UniVerse: A Dark Crystal Odyssey*, his response to Jim Henson's film and a world in ecological peril. These new works seamlessly joined beloved productions from the Company's rich heritage, including Kenneth MacMillan's timeless *Mayerling*, revived to mark the 30th anniversary of MacMillan's death, and a new production of Frederick Ashton's *Cinderella*, 75 years after its premiere yet still fresh and a firm favourite with audiences.

In the Linbury Theatre, we celebrated partnerships, collaboration and innovation, showcasing the cutting edge of choreographic talent from visiting companies including Ballet Black, Acosta Danza and Northern Ballet. Audiences also had a glimpse of the vibrant future of dance as we continued to nurture emerging creative and performing talent with Draft Works, International Draft Works and the Next Generation Festival, which celebrated the work of talented young artists from junior companies and top dance schools drawn from the UK and across Europe.

The vicissitudes of the last few years have reinforced to us how reliant we are on our Friends, and how grateful we are for their steadfast support. To mark the 60th anniversary of The Friends of Covent Garden, we presented a stellar showcase of The Royal Ballet's repertory past, present and future, featuring three world premieres as well as, most appropriately, a performance of George Balanchine's exquisite 'Diamonds'.

The Royal Opera celebrated Antonio Pappano's 20th year as their inspirational Music Director. He conducted two spectacular new productions of Verdi operas – *Aida* and *Il trovatore* – as well as a bold new production of Alban Berg's *Wozzeck*. The Royal Opera again welcomed a stunning roster of international stars including Lisette Oropesa, Jonas Kaufmann and Elīna Garanča alongside the best of British talent, including David Butt Philip, Christine Rice, Bryn Terfel, Sarah Connolly, Mary Bevan, Brindley Sherratt, Christopher Purves, Natalya Romaniw and Freddie De Tommaso. In all, the 2022/23 Season witnessed 11 new opera productions, including Kaija Saariaho's critically acclaimed *Innocence.* In continuation of our work to diversify creative teams, half of our new productions were created by female directors, including a new take on *Rusalka*, for which Natalie Abrahami and Ann Yee led an all-female production team.

The Royal Opera's project to revive the work of composers closely associated with Covent Garden continued with Richard Jones's new production of *Alcina,* as well as Handel's *Arminio*, not seen in Covent Garden since 1737 and brought to life by a cast and creative team of Jette Parker Artists. Director of Opera Oliver Mears

returned to Benjamin Britten for a new production of *The Rape of Lucretia*, again drawing on our Jette Parker Artists as well as talent from Britten Pears Young Artists Programme.

Throughout the season new and already much loved work combined with revivals of *Tannhäuser*, *Don Carlo*, *The Barber of Seville*, *Turandot*, *Salome*, *Tosca* and *La bohème* alongside such works as Oliver Leith's *Last Days*, based loosely on the final days of Kurt Cobain. In addition the season also saw *History of the Present*, Maria Fusco's exploration of the Good Friday Agreement on its 25th anniversary and *Woman at Point Zero*, which was a highlight of our Engender Festival celebrating ground-breaking work from women and non-binary opera-makers, creatives and change-makers.

Across opera and ballet, we presented one of our most collaborative seasons, forging enriching international partnerships with companies including Norwegian National Ballet, Lyric Opera of Chicago, Aix en Provence festival and Irish National Opera. This sense of being part of a global community is nowhere more evident than on World Ballet Day, which saw The Royal Ballet partner with over 60 companies, from six continents, who came together online to celebrate the power of dance.

Most gratifyingly this outstanding programme of work was enjoyed by our youngest and most diverse audience to date. Over 70,000 reduced price tickets were sold as part of our Young ROH scheme, we were again proud to host NHS workers to thank them for their service to the country, and we welcomed a record number of newcomers and future ballet and opera lovers to our theatres.

The impact of our work resonated far beyond our stages as we also reached our biggest ever global audience via our streaming platform which now has over 11,000 active subscribers in over 100 countries (in total, globally, we have 49m social media followers including 1.2m on YouTube) and our programme of live cinema live relays which in 2022/23 played in 49 countries across the world.

Looking to the longer term and how best to preserve and enhance the work we do, our commitment to talent development is unwavering. We are actively investing in the future of our art forms, from apprenticeships to the Jette Parker Artists and Aud Jebsen Young Dancers programmes for creatives taking their first steps in their careers, to other mentoring schemes and initiatives that promote diverse access to opera and ballet, as well as our involvement with TheatreCraft (the UK's largest free careers event for young people interested in an offstage career in theatre). These programmes will play a crucial role in securing the continuity of the talent pipeline and ensuring the arts continue to thrive for generations to come.

I would also like to extend a special note of appreciation to the unsung heroes of our backstage, technical, costume and other production staff whose professionalism, dedication and commitment ensure that our artistic visions come to life on stage.

Away from Covent Garden our commitment to education and community outreach to inspire creativity has flourished. Our flagship National Schools Programmes reached over 30,000 children and 900 teachers in over 500 schools from Northumberland to Cornwall, and a further 10,000 attended school matinees, introducing a new generation to dance and music. Our partnership with The Elliot Foundation Academies Trust ensured 32 schools across the country were equipped with the best arts provision. Partnerships in Coventry with schools, local authorities and others – culminating in a mass dance event in Coventry Cathedral with 600 children taking part – won us the prestigious Pearson Award and has left tangible and lasting benefits to communities in the region.

Alongside the work on our Covent Garden stages, our front-of-house activities continue to grow. Last season we held more than 200 events in-house: Family Sundays, Insights talks, tours and workshops, and other events that bring to life the amazing story of the Royal Opera House – we had 1,300 tours of the venue alone with 20,000 attendees. The building has firmly established itself as far more than a theatre and with our new Piazza restaurant and our range of bars and cafes it has become a leading all-day destination in the heart of London's West End, open to all.

The full-scale reopening of the House with a complete season of performances after the dark days of the pandemic has been a thrilling and joyous experience for visitors and staff alike. The perilous financial and geo-political backdrop has made us more aware of what a vital institution we have in our stewardship. We are committed to maintaining it as a home for great opera and ballet that is available to all in perpetuity. We strive to achieve artistic excellence, financial stability, a diversity of work and institutional makeup and a resilience in the face of the inevitable challenges that lie ahead. The support and vision of our chairman Sir Lloyd Dorfman and our Board of Trustees at such a critical time for the Royal Opera House, and for the arts in general, is vital, as is the contribution of our staff, supporters, Friends, audiences and partners in government, Arts Council England and beyond without whom none of what we do would be possible.

Alex Beard CBE
21 March 2024

WHO WE ARE AND WHAT WE DO

Our mission

Our mission is to enrich the cultural life of the nation by growing the public enjoyment and appreciation of exceptional ballet and opera.

Our vision

We aspire to be a global centre of excellence for the great art we produce and for the inclusive way we do it. We want to grow our reputation still further, demonstrating our social and environmental responsibility.

How we achieve our mission and vision

We are home to three of the world's great performing art companies: The Royal Ballet, The Royal Opera and the Orchestra of the Royal Opera House. We tell stories that speak to the universal themes that move us all (love and hate, revenge and reconciliation, hope and fear), from the great works of the past to new commissions, reflecting contemporary culture and concerns. Our theatres are in London's Covent Garden but our work is accessed and experienced across the UK and globally through touring partnerships, cinema programmes, radio, TV and online-streaming.

We aim to be a leading artistic force that takes calculated risks, both to invest in the art forms of the future and to sustain the existing repertory for new audiences. We work with leading creative teams and performers from around the world, consistently achieving the highest standards of stagecraft, and embedding constant improvement into our processes and culture. We have worked hard to maximise our reach, despite the pandemic, by extending access to our art forms online. The artistic programme stretches beyond our Main Stage and the often more experimental Linbury Theatre, to our foyers and public spaces as well as outside our building.

We have invested in strengthening our capabilities in data generation and analysis to ensure we are capturing and responding to audience feedback, both from those who already engage with our art forms and those who currently do not, so that we have the information we need to continually improve. We are a National Portfolio Organisation, supported by the British public via Arts Council England, and a registered charity, receiving donations from those who share our ambitions, and generating revenues from our audiences and business partners.

Challenges

The ROH (and the publicly funded arts sector) emerged from the challenges of the pandemic only to face another set of equally challenging circumstances with a 20% real-term cut to our public subsidy, changes to audience and consumer behaviour, significant cost pressures due to inflation and the need for significant capital investment in our ageing backstage infrastructure, last ungraded in the late 1990s.

In the short term, we postponed two new opera productions, extended the run of popular revivals and programmed additional Royal Ballet performances in Summer 2023 in place of an overseas tour. Together, these helped balance the year's budget. However, we must build back the investment in new productions and commissions to sustain our reputation in the longer term, and to ensure a vibrant future for our art forms. All efforts are therefore focussed on increasing commercial revenues, stretching Development income and reducing costs through business transformation. In summary, we plan to address our financial challenges through a Bridging the Gap strategy which includes:

- Growing business partnerships and commercial revenues.
- Reviewing our pricing model, growing box office revenue, while simultaneously ensuring we maintain a substantial percentage of affordable tickets in line with our audience diversity goals.
- Increasing fundraising income.
- Reducing costs through business transformation, enabled by investments in technology and smarter ways of working.
- We will evolve our communications and advocacy efforts to support this programme of change.

OUR PRIORITIES

Overview

Our overriding objective in 2022/23 was to continue serving audiences with exceptional ballet and opera, supporting our community of staff and artists and evolving our Learning and Participation programmes to have even greater reach and impact across the country. At the same time, and inextricably linked, we have focussed on ensuring the long-term viability of the ROH in the face of the financial challenges described above.

Our priorities included the following:

Artistic Excellence

We consistently reflect today's best people and ideas, appealing to the broadest possible audience.

- **Balanced programming**: we plan and deliver an exciting programme across our auditoria, public spaces, cinema and digital platforms, that is true to our artistic identity, connects to diverse audiences, and is affordable.
- **Championing talent**: we identify and nurture relationships with exceptional artists and creatives, both from the UK and abroad, and with innovative technical partners.
- **New and underrepresented artists**: we work with partners to break down barriers and discover and nurture extraordinary, diverse artists, technical and craftspeople for tomorrow.
- **Data informed programming**: effective data generation and analysis to inform our artistic choices, utilising effective evaluation and other research to inform future programming.

Outcomes summary: we maintained audience satisfaction; gave new opportunities to diverse creatives and performers; and we continued to develop young talent.

Equality, Diversity and Inclusion

We open up all aspects of the ROH, in the building and through digital channels, so we touch more people's lives and create a deeper sense of belonging.

- **Inclusive workforce**: we continued to evolve the implementation of our People Plan, increasing the diversity of the people who work with us, from performers to creatives, to technical and craftspeople, to administrative staff; we embed an inclusive culture through education and training.
- **National participation**: we continued to evolve the implementation of our National Schools' Programme to support more teachers to bring ballet, opera and theatrecraft into classrooms nationwide and connect with under-served communities.
- **Audience development**: we welcomed new people to our art forms, building on our audience segmentation work to understand and develop audiences in our theatres, in cinemas and through streaming.

Outcomes summary: we continued to diversify our audiences and workforce; we extended the reach and impact of our Learning and Participation programme; and we continued to extend our cinema and streaming reach.

Long-Term Financial Viability

We increase income through better exploitation of our brand value, commercial income and fundraising; and we cut costs through greater efficiencies.

- **Intellectual property**: based on a comprehensive review, we strengthened our ability to realise the income opportunities from our brand value and other tradable assets.
- **Commercial**: we built a new brand partnerships strategy to increase income from existing partners and nurture relationships with new ones, and we pursued greater exploitation of other commercial opportunities to grow ancillary revenues.

- **Capital**: we began a process to build a capital financing plan with government and the private sector to support the long-term renewal of our estate.
- **Fundraising**: we increased the value of gifts and grants by nurturing existing relationships and building new ones.
- **Advocacy**: all of the above is supported by a new advocacy strategy through which we enhance our ability to tell our story more compellingly to all key stakeholders.
-

Outcomes summary: we grew the financial capacity of our stage, began to evolve our brand partnership income, grew commercial and ancillary spend income and substantially increased income from fundraising.

Resilience

We invest in renewing our building and modernise how we work.

- **Security**: we strengthened our systems, processes and behaviours to increase the physical and cyber security of our physical building and technology systems.
- **Valuing people**: we embedded health and safety; focussed on supporting both the physical and mental well-being of all our people and supported all of our staff to achieve the highest standards.
- **Stages, buildings and equipment**: we invested in making the ROH a safe, productive workplace, that can be managed more effectively and efficiently, with reduced environmental impact.
- **Environmental sustainability**: we continued to increase our ability to understand better our environmental impact and plan to reduce significantly our carbon footprint toward our net-zero carbon target (by 2035).

Outcomes summary: we focused on reducing fixed costs; reduced health and safety incidents; focussed on staff satisfaction; and continued to reduce our carbon footprint.

ACHIEVEMENTS

ARTISTIC EXCELLENCE

Balanced programming

Ballet

The 2022/23 Season comprised a wide range of new commissions, classic and contemporary works with international choreographers working across both stages, offering audiences the opportunity to engage with popular revivals and discover something new. The Royal Ballet was proud to dedicate its Season to the memory of Her Majesty Queen Elizabeth II in honour of her long and distinguished patronage and support since granting the Royal Charter in 1956.

The season opened with Kenneth MacMillan's *Mayerling,* marking 30 years since the death of the trailblazing choreographer. His ballets remain as potent as ever for both performers and audiences. Included among the extraordinary interpretations of the dramatic roles were debuts from Vadim Muntagirov as Crown Prince Rudolf and Yasmine Naghdi as Baroness Mary Vetsera.

The world premiere of *Light of Passage* demonstrated Crystal Pite's ability to engage through movement with the existential tensions and complexities of human experience. This work was a development of her 2017 creation for The Royal Ballet, *Flight Pattern*, which had won an Olivier Award. Fittingly, *Light of Passage* went on to receive a South Bank Sky Arts Award for Dance. Pite's unique choreographic voice illuminates both stage and studio, giving resonant development opportunity to the dancers. The diversity of cast, from the children to the elders, conductor and singer, made a positive impact.

Diversity was also to the fore in November's *The Royal Ballet: A Diamond Celebration*, which included in its central section world premieres from Pam Tanowitz, Royal Ballet Emerging Choreographer Joseph Toonga and Rambert Director/Choreographer Benoit Swan Pouffer. Company First Soloist Valentino Zucchetti also presented a new work. The programme paid tribute to The Royal Ballet's past and present with excerpts from ballets by Frederick Ashton, Kenneth MacMillan, Wayne McGregor and Christopher Wheeldon, and the presentation closed with the full Company resplendent in George Balanchine's 'Diamonds' from his ballet *Jewels*.

The Nutcracker brought its customary festive cheer to Covent Garden, although one performance cancellation on Christmas Eve was unavoidable due to train strikes. Peter Wright's production remains theatrical gold for the performers and gave various exciting debut opportunities to younger members of the Company. Another revival of a cherished heritage classic, *The Sleeping Beauty*, also enjoyed strong performances across the board. During the second run of the production later in the season, the Company celebrated the 80th birthday of Sir Anthony Dowell, the great English dancer, former Royal Ballet Principal and Director and the epitome of grace, lyricism and poetry on stage.

In more recent classics, Resident Choreographer Wayne McGregor's *Woolf Works* felt more compelling than ever in this season's revival. Alessandra Ferri demonstrated again her extraordinary artistic sensibility, with a particularly charged interpretation at her final performances. Principals Natalia Osipova and Marianela Nuñez made soulful impact in their debuts in the lead role and drew an enthusiastic response from audiences. Celebrating the ballet's 75th anniversary, Frederick Ashton's *Cinderella* returned to the Royal Opera House stage after over a decade. The ballet was given a new lease of life in a vibrant new production for today's generation of performers and audiences. This co-production with the National Ballet of Canada proved the brilliance of the producing and technical teams who had worked tirelessly to get the new production stage ready, and it was particularly rewarding to see the ballet perform in second place nationally at the box office at its live cinema relay.

In other positive broadcast news, The Royal Ballet's World Ballet Day content in November 2022 reached a new record of over 174,000 views across YouTube, Facebook and TikTok.

The season closed on the Main Stage with a mixed programme featuring associated choreographers of The Royal Ballet past and present. A world premiere of striking geometric beauty by Wayne McGregor, *Untitled,*

2023, continued to explore new territory, featuring among its creative team Icelandic composer Anna Thorvaldsdottir, the late Cuban-American artist Carmen Herrera, fashion house Burberry and its Chief Creative Officer Daniel Lee, and lighting designer Lucy Carter. *Corybantic Games* by Artistic Associate Christopher Wheeldon received its first revival since its premiere in 2018 and proved itself an exhilarating exercise in pure dance again with music by Leonard Bernstein and costumes by fashion designer Erdem Moralioglu. Kenneth MacMillan's *Anastasia* Act III was dedicated to the memory of the late ballerina Lynn Seymour and her exceptional artistry, with Company principals Natalia Osipova and Laura Morera giving dramatically compelling accounts of the psychiatric patient Anna Anderson. The ballet made for a fitting showcase of Morera's expressive prowess for her final Royal Opera House performance as a Principal.

The Royal Ballet then made its first full Company tour since before the pandemic and was welcomed warmly in Japan, a country where audiences are so informed about dance and also the repertory of The Royal Ballet. The breadth and depth of their artistry were demonstrated in sold-out performances across Tokyo, Osaka and Himeji in a wide programme including MacMillan's *Romeo and Juliet*, Ashton's *A Month in the Country*, Balanchine's 'Diamonds' and an array of historical and contemporary Royal Ballet works.

The Linbury Theatre presented strong work artistically during the season. *Ruination* was created by Lost Dog and produced by The Royal Ballet with a 22-show run throughout December. The production was a great success and box office was well over target with most shows sold out. Featuring a diverse cast and creative team, it provided a valued opportunity to work with a small independent dance company and a fantastic team of freelancers and to demonstrate the artistic possibilities of the Royal Opera House's second stage. Different forms of access performances were trialled during the run, including relaxed and BSL-interpreted performances, with a touch tour pre-show and audio description.

Another highlight was the return of American choreographer Pam Tanowitz to the Linbury Theatre – an engaging presence when working with the Company – presenting a revival of her Royal Ballet creation *Everyone Keeps Me* with a new work entitled *Secret Things,* alongside a filmed version of *Dispatch Duet* from November's *Diamond Celebration*. The return of Acosta Danza, Ballet Black and Northern Ballet provided good opportunities for emerging choreographers and the introduction of new work to Linbury audiences. As part of a co-production between The Royal Ballet and Studio Wayne McGregor, dancers of Company Wayne McGregor were welcomed to the Linbury Theatre to present the world premiere of McGregor's *UniVerse: A Dark Crystal Odyssey*. The epic adventure of Jim Henson's cult film was reimagined in the context of today's ailing planet and the original story's ecological overtones were starkly relevant.

Draft Works continued as a valuable choreographic platform with the subsequent *International Draft Works* demonstrating strong collaborative spirit between all the young dancers and choreographers involved. The companies this year comprised Joburg Ballet, Norwegian National Ballet 2, Polish National Ballet, Royal Danish Ballet, The Royal Ballet and Scottish Ballet. The residency included lighting, music and dance critic and choreographer feedback discussions. The fostering of emerging potential was also in evidence in the Linbury with the presentation of young performers in the *Next Generation Festival*, uniting junior companies and premier dance schools from the UK, across Europe and around the world.

This brought the impact of dance on young lives full circle, following a demonstration of dance in the community earlier in the season. Performances in Doncaster, originally scheduled for before Covid took hold, took place at Cast Theatre in September. As well as demonstrating The Royal Ballet at its finest, the accompanying mass dance performance involving 300 local school children highlighted the invaluable work of the Learning and Participation team in improving arts provision and advocating for the role that dance and music can play in improving the lives of young people. The initiative with Cast and Doncaster Council, supported by Doncaster Creates, grew from a first conversation with Ed Miliband and stretched to work with 3,500 children, 100 schools and 200 teachers.

Opera

2022/23 marked the second full season since the pandemic (and the first season to avoid any pandemic-related cancellations since March 2020). At the heart of The Royal Opera's programming was a desire to combine the old and new, reviving much loved productions to an exceptional standard while boldly reimagining other works in new productions alongside ground-breaking new commissions.

The Royal Opera's Season opened in September with a new production of Verdi's *Aida*, directed by Robert Carsen. Elena Stikhina sung the title role alongside Francesco Meli as Radames, with Solomon Howard and In Sung Sim making their Royal Opera debuts. This landmark contemporary reinterpretation also marked Antonio Pappano's 20th anniversary as Music Director. The opening run was followed by a revival in May 2023, this time conducted by Mark Elder, with Angel Blue and SeokJong Baek (fresh from his extraordinary success in *Samson et Dalilah* in 2021/22) in the two principal roles. As an important repertory piece, this new version will continue to delight audiences in future seasons.

Continuing The Royal Opera's recent emphasis on composers whose work debuted in Covent Garden, Richard Jones directed a new production of Handel's late comic-drama masterpiece *Alcina*. An extraordinary cast included Lisette Oropesa in the title role, alongside Emily D'Angelo and Mary Bevan. Critical response was enthusiastic, and indeed the production was recognised at the Olivier Awards, winning the award for New Opera Production. Antony McDonald, long-term collaborator with The Royal Opera, was also nominated for Outstanding Achievement in Opera for his set and costume designs on the show.

Kaija Saariaho's new opera *Innocence* made its UK premiere in April 2023, directed by Simon Stone, and was a resounding success. New commissions are a vital component of any successful opera house and form a vital pillar in the ROH's future.

The Royal Opera's commitment to diversify creative teams continued this season, with half of the new productions on stage created by female directors, including *Rusalka* directed by Natalie Abrahami and Ann Yee, with Semyon Bychkov conducting. Asmik Grigorian led a remarkable cast, with British principals David Butt-Phillip and Sarah Connolly in leading roles. The production put sustainability at its centre, with set pieces designed to incorporate recycled materials, and was an invaluable learning opportunity for embedding sustainable producing in our practice.

Deborah Warner directed a viscerally powerful new production of Alban Berg's 20th century masterpiece *Wozzeck*. Christian Gerhaher performed the title role alongside Anja Kampe as Marie to resounding critical and audience acclaim.

The final new production of the season was Adele Thomas' new production of Verdi's *Il Trovatore*, continuing her association here on the main stage after well-received productions of *Berenice* and *Bajazet* in the Linbury. Marina Rebeka and Rachel Willis-Sørensen shared Leonora while Riccardo Massi and Gregory Kunde performed Manrico, alongside Ludovic Tézier appearing and Jamie Barton, all under Antonio Pappano's baton.

Revivals this season included many well-known favourites: *Don Giovanni*, M*adama Butterfly*, *La bohème*, *Tosca*, *Die Zauberflöte*, *Il barbiere di Siviglia*, *Turandot*, and *Le nozze di Figaro*. Rarer titles included *Salome*, *Tannhäuser*, *Don Carlo*, and *Werther*. Among a cohort of excellent singers who appeared across the season, highlights included: Christopher Maltman, Maria Bengtsson, Charles Castronovo, Elīna Garanča, Carlos Álvarez, Juan Diego Flórez, Natalya Romaniw and Freddie De Tommaso (marking the first British couple to sing as Tosca and Cavaradossi in decades), Erwin Schrott, Lise Davidsen, Gerald Finley, Lawrence Brownlee, Bryn Terfel, Anna Pirozzi, Christopher Purves and Jonas Kaufmann. The Royal Opera also welcomed back conductors Alexander Soddy, Daniel Oren and Keri Lynn-Wilson, with Rafael Payare, Kevin John Edusei, Susanna Mälkki and Joana Mallwitz making their debuts. Former Jette Parker Artists Filipe Manu, Aigul Akhmetshina and Masabane Cecilia Rangwanasha shone in principal roles, and we look forward to welcoming them back soon.

The Linbury Theatre presented two landmark new opera commissions on stage. Guildhall School of Music's Composer-in-Residence Oliver Leith composed *Last Days*, based on the 2006 film by Gus Van Sant. Directed by Anna Morrissey and Matt Copson the production was extremely popular, and attracted hire interest from across the world. Bushra El-Turk composed *Woman at Point Zero*, based by on the book by Nadal el Sadaawi and produced in collaboration with a network of European companies and Shubbak Festival, the UK's largest festival of contemporary Arab culture. Initially developed in 2017, the piece fused Middle Eastern and western classical instruments, resulting in a unique sound world.

Additionally, building on the success of our recent Britten cycle (*Billy Budd*, *Death in Venice*, *Peter Grimes*), Oliver Mears directed a new production of *The Rape of Lucretia*, in partnership with Britten Pears Arts. Featuring a cast mainly of Jette Parker Artists, this marked Mears' first production in the Linbury Theatre. The Jette Parker Artists Programme also produced a staging of Handel's rarely performed *Arminio*, directed by Mathilda du Tillieul McNicol. Finally, a film-opera collaboration closed the Linbury Season in July with *History of the Present*. Writer Maria Fusco, award-winning filmmaker Margaret Salmon and experimental composer Anna Lockwood joined forces to create a film concerning working-class women's voices in Northern Ireland.

Championing Talent

The Royal Opera House employs more artists than any other UK arts organisation and works with a large network of over 2,000 freelance creatives, singers and other performers. At the heart of our creative output are our three permanent ensembles: The Royal Ballet, The Royal Opera Chorus and the Orchestra of the Royal Opera House with their international reputation for dramatic and musical excellence.

Specific talent development programmes include the following:

Youth Opera Company

Our Youth Opera Company programmes provide children aged 7–13 with rigorous music and drama training, creative projects and the chance to perform in world-leading opera productions with The Royal Opera.

Jette Parker Artists

The first Jette Parker Artists cohort was established in September 2001 as a company of six singers. In 2002 positions for conductors, répétiteurs and pianists were added to the programme, with stage directors joining in 2008. The 2022/23 Season featured four singers, three stage directors and three conductors/répétiteurs. In total almost 200 artists have been though the programme since its inception, including many who have gone on to become major international stars.

New and underrepresented artists

We are committed to increasing the diversity of our creative programmes, and the people who create and perform them. Specific programmes we ran in the year included the following:

Engender

Engender addresses gender imbalance in opera and music theatre, working with leaders, opera makers, creatives, performers and changemakers. It is a place for women and non-binary people to connect and support each other, to amplify their work in the opera field and to have a collective voice. The network provides space and opportunity for personal and professional development, peer support and the creation of new work, with members across the UK, EU, USA and further afield, including a chapter in South Africa.

Overture Orchestra mentoring scheme

The ROH mentorship pilot was launched in the 2023/23 Season in partnership with Black Lives in Music. It was aimed at young musicians aged 18–25 who may not have had access to any formal training at music

college, conservatoires or university. The scheme was developed to help break down any traditional barriers to experiencing classical music – which could be racial, socio-economic or geographical – broadening the available pathways into the industry. We offered 18 mentees this opportunity in two cohorts over the season and the programme was tailored to the individuals' needs, enhancing skill sets and insights and offering training including one-to-one lessons with mentors and mock auditions.

Data informed programming

Over the last couple of years, we have evolved our evaluation methodology. The Executive Team meets regularly to review all productions against a set of key criteria including:

- Net promotor scores
- Financial outcomes
- Primary and secondary focus areas (weighing intentions against outturns) including:
    - Diversity overall
    - Diversity of the creative team
    - Attracting new audiences
    - Partnerships
    - Artistic development
    - Artistic innovation
    - Renewal of core repertoire

EQUALITY, DIVERSITY AND INCLUSION

Inclusive workforce

Our People Plan for 2022/23 set out how we would respond to the challenges of the pandemic years and reconnect with our community of staff, artists, casuals and freelancers. Achievements included:

- A new approach to recruitment, alongside our largest ever apprenticeship programme and new award-winning volunteer programme, to compete for the best talent.
- A pay award agreed for the vast majority of staff at 4% skewed to benefit the lower paid and the continuation of our commitment to being a London Living Wage Employer for all our staff and contractors.
- Our gender pay gap was significantly reduced.
- A new online learning platform trained more people than ever before, while 83 senior managers experienced 360-degree feedback.
- Newly refreshed safeguarding governance and policies were introduced, alongside a freelance charter for that vital section of our community.
- New policies to support our people through menopause and gender transitioning as well as the ROH taking part in London Pride for the first time.
- A programme of events and new digital channels to engage staff and artists in the work of the ROH.

National participation

Our Learning and Participation programmes significantly extended their reach and impact. Brief summaries of the key programmes are below.

Create and Dance

Programme	**2022/23 impact**
Designed to excite children about ballet and improve the quality and quantity of creative dance in primary schools nationwide. We build the creative confidence of teachers to inspire the creativity of young people, through digital and in-person training and CPD for teachers, and digital resources for use in the classroom.	524 teachers from 328 schools. Additional 143 freelancers, teacher trainees and apprentices who work across multiple schools. 14,679 children participated across the year and in culmination events.

Create and Sing

Programme	2022/23 Impact
Designed to excite children about opera and improve the quality and quantity of dramatic singing in primary schools nationwide. We build the creative confidence of teachers to inspire the creativity of young people through digital and in-person training and CPD for teachers, and digital resources for use in the classroom.	552 teachers from 350 schools. Additional 26 freelancers who work across multiple schools. 13,816 children participated across the year and in culmination events.

Create and Design

Programme	2022/23 impact
Links the National Curriculum for Design & Technology and Art & Design at Key Stages 2 and 3. Through in-person and digital CPD and digital resources, the programme fosters design skills among young people, including costumes, sets, props, hair, wigs and make-up and marketing materials.	4,520 children participated across the year and in culmination events. 244 teachers trained at 121 schools.

Chance to Dance

Programme	2022/23 impact
Long-established programme (over 30 years), now working nationwide with a focus on areas of socio-economic deprivation and Arts Council England Priority Places outside London. Through brokering partnerships with private dance schools and primary schools we reach new participants and encourage creative and inclusive practice. This inspires young people to discover and take part in ballet and affects long term change in teaching of ballet.	1,140 children in year 3, aged 7-8 years, from 19 primary schools. [Note: this season we are building up to five regions – last season we were still working in four regions, so the figure is not as high as we had hoped]. Focused on areas with high proportions of socio-economic deprivation and a lack of equitable access to the arts (included Essex, Thurrock, the West Midlands (Wolverhampton, Walsall, Nuneaton, Bedworth and Dudley), Doncaster, and expanded to the North East (Gateshead and Northumberland). Integrated Special Educational Needs (SEND) groups into the end-of-season performance. 104 bursaries to enable attendance at local dance schools.

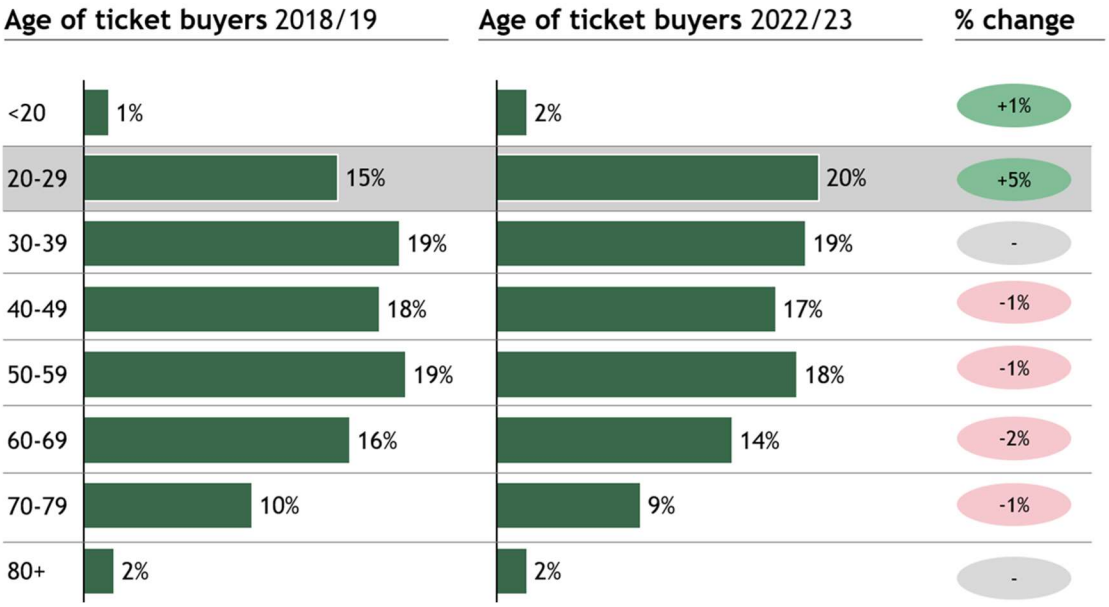
In addition, we presented six Schools' Matinees, enabling schools from across the country to attend special events at the ROH and experience opera and ballet performances. Travel grants are available, plus dedicated access support to enable all schools to visit. Across the season, 10,000 children attended.

Audience development

Box office occupancy returned to pre-Covid levels at 96% (83% financial capacity achieved) with 59% of all bookers were new to the ROH.

We diversified audiences through various means including maintaining 30% of tickets for the Main Stage priced at under £50 (25% under £35) and through our Young ROH scheme (over 70,000 tickets sold to members across the season).

One key outcome has been that our audiences are getting younger with those aged 20-29 now being our largest demographic, and with the greatest growth since pre-pandemic, as shown below.



In terms of ethnic background mix, we estimate that between 5% and 10% of our audiences are from Global Majority backgrounds. This season, we have launched a new project to improve our audience demographic data methodology, working closely with others in the sector.

LONG-TERM FINANCIAL VIABILITY

We developed a Bridging the Gap strategy, approved by the Board of Trustees, to address cuts in public funding and increased inflation. As shown in the financial sections below, we made significant progress in increasing development and enterprises income and we are investing in business transformation to reduce costs, but there is still a long way to ensure our financial future.

The strategy as it stands is summarised in the table below.

Area	Timings	No 1 Risk/Consideration
#1 - Development Income	New strategy approved by the Board in June 2022. Target to be fully included from 25/26.	Future planning information on programme and details on Capital Plan to enable applications.
#2 - Commercial/Brand Partnerships	Board-approved strategy in place. Incremental growth towards target up to 2025/26.	Developing clearer understanding of our assets.
#3 - Box Office Pricing	Initiated test-and-learn analysis to determine pricing for 24/25 budget.	Test-and-learn outcome (ticket buyer response).

#4 - Business Transformation	Board-approved strategy initiated. Roll out over next two seasons.	Availability of upfront investment.

RESILIENCE

Security

We strengthened systems, processes and behaviours to increase the physical and cyber security of our building and technology systems.

Specific areas of progress include:

- 257 existing hardware units replaced; 80 additional hardware units installed to increase security access house wide.
- New access cards with triple the level of encryption to ensure they are secure.
- A Security Control Room with improved security oversight and ownership.
- Integration with non-security systems e.g., destination control for lifts, visitor management, HR and Building Management Systems.
- Comprehensive training for staff and artists, leading to increased awareness of and engagement with operational systems and security in general.

Stages, buildings and equipment

Our last major building infrastructure upgrade was carried out almost 25 years ago, and we need investment of at least £50m over the next three years just to keep the building open and operational, part of £200m required over the next decade (Arts Council England scored us High on risk in our NPO application for this reason).

The renewal of end-of-life equipment that was installed in 1999 is the key driver. We have been working on that for the last five years, focussed on what is most fundable, such as replacing surtitles, upgrading the Sound and Broadcast suite, and refurbishment of the Chorus Rehearsal Room.

Environmental sustainability

The climate crisis is the most important issue facing the globe today. Recognising our international reach and leadership role within the UK arts sector, we have embraced our responsibility and obligation to reduce our greenhouse gas emissions. It is the ambition of the Royal Opera House to be a leader in environmental sustainability and to act as a catalyst for positive change in our industry.

Our environmental policy commits us to net-zero carbon emissions for scopes 1 and 2 (gas, electricity and fleet vehicle emissions) by 2035. We will also be publishing targets for scope 3 emissions (waste, water, transport, purchasing etc.) by 2025; these targets have been established and will be tested in the 2023/24 Season. We have an Environmental Strategy and an Energy Strategy, with a supporting Sustainability Action Plan. This plan is a living document, updated frequently to ensure that we remain on track to deliver on our ambitions.

Throughout the 2022/23 Season we have continued our efforts to reduce our gas, electricity and water consumption. We have made 4.8% reductions in carbon dioxide equivalent (CO2e) emissions from electricity consumption, 11.5% reductions in CO2e emissions from gas consumption and 15.5% reduction in emissions associated with water use and treatment. These savings have been made through careful monitoring, adjustments and improvements and we have continued to invest in small to medium scale projects to make our energy use more efficient. We are now considering the best steps forward for our gas systems and are working with consultants and Julie's Bicycle to progress to the next stage.

We have also been focussing on waste. One of our Scope 3 trial targets relates to reducing waste production and our existing waste target is for our waste to be over 70% recycled or composted. Since January we have been successful with our recycling and composting but have yet to see a material reduction in waste production. However, we encourage the reuse of items within ROH and donation of useful items to local schools, charities, businesses and individuals, and will continue to work on this area.

As noted above, our new production of *Rusalka* was used to test implementation of the principles of the Theatre Greenbook. This was the first production for which we had attempted to calculate a carbon footprint, and the process taught us a great deal. For the 2023/24 Season we will now be creating sustainability reporting for each production with lessons learned transferred across all new productions.

Ensuring that all staff and artists within the organisation are engaged with sustainability is an ongoing objective. During 2022/23 the Executive Team undertook Carbon Literacy training. A shorter, interactive training session is now being rolled out to all staff. ROH staff are active members of the Theatre Greenbook advisory committees and the Westminster Sustainable City Charter committees. Through these groups we aim to pass on lessons learned, develop networks and influence other organisations to help us all move towards more sustainable operations.

Streamline Energy and Carbon Reporting

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR) imposed by the 2018 SECR Regulations, we are required to disclose the following energy and carbon information for the reporting year 1 September 2022 to 31 August 2023.

Scope 1: Emissions from combustion of Gas tCO2e 2023: 1,088 (Energy consumption: Gas 5,944,962 Kwh) 2022: 1,258 (Energy consumption: Gas 6,892,888 Kwh) 2021: 1,334 (Energy consumption: Gas 7,281,114 Kwh) 2020: 1,127 (Energy consumption: Gas 6,127,551 Kwh)
Methodology: Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the invoiced gas consumption in kWh during the previous reporting period and the 2023 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Natural Gas' From 1st October 2022 ROH has purchased Carbon Neutral Natural Gas as part of their Gas supply contract provided by Total Energies Ltd. For more information please visit https://business.totalenergies.uk/carbon-neutral-energy
Scope 2: Emissions from purchased electricity tCO2e 2023: 1,903 (Energy consumption: Electricity 9,188,290 Kwh) 2022: 1,801 (Energy consumption: Electricity 9,313,635 Kwh) 2021: 1,478 (Energy consumption: Electricity 6,960,717 Kwh) 2020: 1,748 (Energy consumption: Electricity 7,498,289 Kwh)
Methodology: Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the above stated electricity consumption in kWh during the previous reporting period and the 2023 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Electricity Generated/Electricity: UK' Market Based Emmissions are reported as 0 due to the fuel mix of the electricity purchased, as defined by the suppliers' fuel mix. Drax fuel mix: 100% REGO Backed Renewable Electricity https://energy.drax.com/support/fuel-mix-disclosure/
Scope 3: Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel tCO2e 2023: 6 (24,606 miles) 2022: 2 (8,594 miles) 2021: 3 (9,672 miles) 2020: 13 (47,080 miles)
Methodology: tCO2e calculated from the total mileage expenses claimed during the period (as stated above) multiplied by the 2023/2022/2021/2020 UK Government CHG Conversion Factors for Company Reporting (version 1.0) for an Average Car and specified fuel type
Intensity Ratio: tCO2e gross figure based from mandatory fields (tCO2e/m2) 2023: 0.0540 2022: 0.0570 2021: 0.0506 2020: 0.0520
Methodology: The intensity ratio stated above has been calculated as Tonnes of CO2e per total square metres of useful floor area (57,438 m2)

During the 2022/23 Season the ROH has continued to focus on reducing energy consumption. A number of small to medium scale projects have been undertaken to reduce gas, electricity and water use including heat and light controls, improved insulation, inverter drive controls and extended metering. The ground source heat pump at the Bob and Tamar Manoukian Production Workshop in Thurrock has also been upgraded to provide more efficient heating and cooling. Further projects are planned for 2023/24 and we continue to progress with planning for our longer-term, large-scale projects to decarbonise our buildings. It is still our intention to reach our goal of net-zero carbon emissions for Scopes 1 and 2 by 2035.

Comparison of SECR reporting periods 1 Sep 2022–31 Aug 2023 with the previous year shows a decrease in electricity consumption by 125MWh, or a reduction by 1.4%. However, the energy mix used to generate the electricity within the national grid system contained a higher proportion of fossil fuels than in previous years, which has resulted in the conversion factor used to calculate the CO_2e emissions being higher than in 2021/22. This means that when compared with last season, there has been an increase in emissions of 102 tCO_2e; this is an increase of 6%. The emission factors are outside of the control of ROH but we will continue to work to reduce our electricity consumption year on year.

Gas consumption during 2022/23 decreased by 948MWh compared to 2021/22. This is a reduction of 13.8%. Emissions from gas decreased by 170tCO_2e compared to the previous year, which is a 14% reduction. Comparison with 2018/19 shows a 28% decrease in emissions from gas consumption; we have worked hard to maintain this pace of reduction and continue to be committed to reducing our gas emissions.

Across the whole estate in 2022/23, electricity accounted for 61% of total annual energy demand and natural gas accounted for 39%. This composition of energy use is changing annually and reflects the projects we have undertaken and our reduction in gas use; the balance previously being 53% electricity and 47% gas in 18/19. It is intended that this composition will continue to move more towards electricity as we attempt to decarbonise our energy consumption.

Finance and Governance

The Royal Opera House strives to present an ambitious programme of work while balancing its books on unrestricted general funds in each full financial year.

The results for the period are set out in the consolidated statement of financial activities. Note 1 to the financial statements sets out the basis on which these financial statements have been prepared.

The Board of Trustees received Management Accounts at each Board meeting. The ROH's forward plans include a set of outcomes and related KPIs, agreed with the Executive team and Board of Trustees. KPIs included: public engagement across performances, digital activity and learning and participation initiatives; diversity of audiences, participants, staff and artists; results against budget; and environmental performance. Performance against the KPIs is reviewed in detail at the end of each year.

As well, Arts Council England receive Management Accounts and cashflow reports on a monthly basis, enabling them to closely monitor progress against financial targets throughout the year.

The important continuing investment from Arts Council England enables the undertaking of a range and depth of work and investment in new work, artist development, craft excellence, engagement and access, which could not be sustained otherwise.

In the 2022/23 Season we continued to rebuild our post-pandemic levels of activities, engaging audiences and participants across our performances and other programmes: whilst our Main Stage programme of performances was back to normal from 2021/22, it was only in 2022/23 that we achieved that for the Linbury Theatre programme, Learning & Participation and other events. Overall, despite a few lost performances across the season, we achieved 93% occupancy and delivered 83% financial capacity due to changed audience booking behaviours and some discounting.

All trading income lines exceeded targets and we launched our streaming platform. As stated previously, we benefitted from the extension of the higher rates of relief for Theatre Tax Credit, a vital support to our post pandemic recovery. As for our costs, like others we were faced with the impact of prolonged higher rates of inflation, 3x increase in our utilities costs, and upward pressure on salaries, all of which had significant implications for a business that runs on tight margins.

Looking ahead, we will continue to face challenging financial pressures including inflation which although less than it was, is still significantly above the 2% Bank of England target, and we still have three years to run on our reduced grant from Arts Council England. We are also in the early phase of implementing plans for critical long-term investment in the fabric of our stage infrastructure and our building which is necessary to mitigate risks of equipment failure which could lead to performance cancellations, to protect the heritage of our Grade I listed building, and to ensure our spaces remain fit for purpose, welcoming and safe for the 1m people who come through our doors each year, both ticketed and non-ticketed alike .

Our mixed funding model is a strength – comprising public and private support, box office, and other commercial activities – and we will make the best use of our diversified income sources at a time of ongoing economic uncertainty. We already generate the vast majority of our own income (our ACE grant accounts for 15% of our total unrestricted income), and through our Bridging the Gap strategy we will focus on increasing commercial revenues, stretch fundraised income and reduce operating costs through business transformation, all while staying committed to our core objectives and mission.

As a National Portfolio Organisation (NPO), a grant of £23.6m (*52 week period ended 28 August 2022: £24.5m*) was received from Arts Council England, representing 15% of total (unrestricted) income (*52 week period ended 28 August 2022 restated: 22%*). The Royal Opera House is one of only four National Portfolio Organisations to be awarded funding from Arts Council England to lead the Bridge programme for Bedford Borough, Central Bedfordshire, Luton, Hertfordshire, Essex, Thurrock, Southend, Dartford, Gravesham, Swale and Medway. Funding of £0.7m was received in the current year (*52 week period ended 28 August 2022: £0.7m*).

Excluding income within the Endowment, fundraising income targets of £27.7m (*52 week period ended 28 August 2022: £31m*) were set against fundraising activities in the development department for the period and these targets were exceeded with funds raised of £33.4m (*52 week period ended 28 August 2022: £34.5m*).

Our trading subsidiary, Royal Opera House Enterprises Limited, recorded an operating profit before tax of £5.0m for the 52 week period ended 27 August 2023 (52 week period ended 28 August 2022: £2.8m). Given the overall business model, these figures are now either ahead of or back in line with results pre-Covid 19.

The overall result for the group Unrestricted general funds was an increase of £0.04m from the previous year. Unrestricted general funds at 27 August 2023 were £4.2m *(52 week period ended 28 August 2022: no change)* after transfers from Restricted funds of £0.6m *(52 week period ended 28 August 2022: £0.6m restated)* and net transfers to Unrestricted Designated funds of £10.0m *(52 week period ended 28 August 2022: net transfers from Unrestricted Designated Funds of £0.9m).* Refer to Note 17 on pages 75-76 for details.

At 27 August 2023 unrestricted funds were £222.9m *(28 August 2022: £212.9m)* before Unrestricted pension reserve deficit of £12.8m *(28 August 2022: £14.2m).* There is £218.3m *(28 August 2022: £208.4m)* held in Unrestricted Designated funds.

At the end of the period Restricted fund balances were £9.2m *(28 August 2022: £9.6m restated).* For further details refer to Note 27. At the end of period the Endowment fund balance of £52.3m *(28 August 2022: £46.4m restated)* is represented by restricted capital assets of the Royal Opera House Endowment Fund 2000.

The Royal Opera House group held positive cash and short term deposit balances throughout the period. Unrestricted cash held at the period end was £80.8m *(28 August 2022: £79.5m),* which included advance bookings held at the period end of £11.1m *(28 August 2022: £10.8m)*. The overall increase in cash balances, including those with a notice period of 6 months, was a result of the return to pre-Covid-19 business levels and the impact on working capital.

Reserves

The Trustees regularly review reserve levels, and designated the following amounts at the period end:

- Fixed Asset and Heritage Asset funds, of £170.5m and £5.6m respectively, equivalent to the tangible and intangible fixed assets owned by the charity, plus those fixed assets that were approved in the season but not fully completed.
- Designated Future Project Fund of £42.2m. This fund comprises specific amounts put aside for future activity, which includes a fund of £30.0m towards vital capital investment needs *(28 August 2022: £2.4m toward the planned investment in digital)*.

The level of free reserves (represented by the Unrestricted General fund) at 27 August 2023 of £4.2m *(52 week period ended 28 August 2022: £4.2m)* equates to only 2.8% of current unrestricted incoming resources. The Trustees agree that a higher level of reserves is desirable in order to protect against reductions in box office and fundraising income, economic uncertainties, unforeseen events and further reductions in public funding. The Trustees review the level of free reserves annually, and considering the financial model of the charity, core expenditure and levels of cash held in advanced bookings, have determined that a target level of free reserves of £10m is appropriate, and this has been the target for the last several years. Trustees acknowledge, however, that any increase to free reserves over the next two to three years will be unlikely due to the impact of the challenging economic environment, including inflation, on the business model and to the identified needs for the programme of estates works. As the current financial strategy is to budget for a minimum £4m contingency in annual budgets while building designated funds for specific, future, longer term planning, the Trustees will also consider increases to the free reserves when possible in order to make progress towards the £10m target.

The total funds held at 27 August 2023 was £271.7m *(28 August 2022: £254.7m).* The designated Future Projects Fund (£42.2m) is likely to be spent in the next two years, in line with our urgent capital investment needs.

Levels of unrestricted funds, both current and forecast, are monitored closely to ensure they remain at an adequate level in order to provide financial flexibility and a buffer against operational risk.

Pension scheme

In line with the requirements of FRS 102 S28 'Employee Benefits', the Royal Opera House defined benefit Pension Scheme liability and related costs are included in these financial statements. Within the Statement of Financial Activities employer contributions as determined by the actuary are recorded as an operating cost in the unrestricted general fund. The charge to the Statement of Financial Activities is £0.4m less than contributions (52 week period ended 28 August 2022: £0.7m less than contributions), in accordance with FRS 102 (refer to note 31 of the financial statements). The actuarial gain, net of actual return less interests on plan assets for the period was £0.9m (52 week period ended 28 August 2022: £15.2m). The net pension liability at the period end was £12.8m (28 August 2022: £14.2m), with the improvement from the prior period driven by the significant rise in the discount rate in excess of returns on scheme assets, all as part of the actuarial assumptions. It is important to note that the liability represented by this value (being based upon actuarial assumptions) will alter in response to changes to the future funding and structure of the pension scheme (as well as to economic and investment market conditions) and does not crystallise in the short or medium term.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest funds not immediately required for its purposes in such investments, securities or property as may be considered appropriate by the Trustees. Aside from balances held with the Royal Opera House bankers, Coutts & Co. monies are only invested in funds that are regulated by the FCA.

The Trustees of the Royal Opera House Endowment Fund 2000 have no restrictions on their investment powers and are permitted to invest and reinvest the Trust Fund, providing the objectives and purposes of the charitable fund are met, and subject to such consents as may be required by law.

The Trustees reviewed and agreed an Investment Policy in line with the Charity Commission Guidance CC14. This is not shown in full in the accounts but a summary of the key investment objectives are as follows:

- Generate investment income to support the grant income available to support the Royal Opera House Covent Garden Foundation; and
- Deliver capital growth to maintain the real value of investments for future years.

To achieve the above objectives, the Trustees have set the investment benchmark of a blended return of CPI +3.5% on a rolling basis.

In line with more general market performance, the investment managers, Stonehage Fleming Investment Management Limited, Troy Asset Management Limited and Newton Investment Management Limited, have not achieved the benchmark for this year. Net of investment management fees it has 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.

Going Concern

The Trustees must satisfy themselves as to the Royal Opera House's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Board of Trustees have considered business plans and budgets based on an artistic programme of activity to August 2025, supplemented by outline plans in other areas. These plans show the impact of the challenges ahead given the reduction in ACE funding from April 2023, the external environment and the impact of inflation, and in the Board's assessment of going concern they have taken into consideration whether the Royal Opera House has adequate resources to meet its obligations as they fall due in and beyond the 12 months from the date of approval of these financial statements.

In assessing going concern, the Board considered the financial impact of any shortfall in fundraising and trading income, and the impact of further increases on costs in excess of current plans. Whilst the Trustees are confident that these risks have adequate mitigation to ensure the ROH remains a going concern, the modelling shows that there is sufficient liquidity to August 2025 excluding mitigations.

After consideration of the scenarios, the Trustees consider that the Royal Opera House (Group and Parent Charitable Company) has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason, the financial statements of the Group and Parent Charitable Company have been prepared on a going concern basis.

2022/23: Risk Management approach

During the period the Trustees have operated a risk management strategy which comprises:

- Review and assessment by the full Board of Trustees of the risks which the charity may face and the approach to risk management.
- The establishment of systems and procedures to mitigate those risks identified.
- Detailed review of the overall risk landscape by the Audit and Risk Committee, including Strategic Risk, Health, Safety & Security, and Technology and Cyber Security matters.
- Procedures designed to minimise any potential impact on the Charity should any of those risks materialise.

The governance and management of risk is divided between **Strategic risk** and **Operational risk.**

Strategic risk is reviewed by the Executive at meetings regularly throughout the year and is linked to the ROH Plan. The Executive considers each risk against its agreed risk appetite and reviews existing mitigations and planned actions. **Operational risk** is reviewed and updated by the Operational Risk Group which meets three times a year and operates under clear terms of reference. The membership of the Operational Risk Group is made up of senior managers from across the Royal Opera House with representation from all departments. The Chief Financial Officer attends the Operational Risk Group meetings and a regular report is produced and discussed with the Executive. Additionally, risk is reviewed across specific projects and monitored regularly throughout the year including Health & Safety, Capital & Estates, Planning & Scheduling, major projects including ROH Stream, as well as an extensive risk assessment regime throughout the organisation.

Strategic Risks
At its annual review of risk management, the Board discussed the strategic risks and assured themselves of the adequacy of controls and mitigations in place. These are listed below:

1.	Access to diverse and creative talent	Inability to attract and work with exceptional talent to deliver a high-quality programme owing to insufficient/inadequate training pathways, inability to pay competitive fees and salaries, post-Brexit visa regime, reputational concerns or reduction in range of repertory.

		Mitigated by a range of talent development initiatives (e.g., Jette Parker Artists for singers and Overture for orchestral players), creative and workforce diversity strategies, fair pay, new Freelance Community Charter, advocacy on employment issues and a multi-layered staff engagement programme.
2.	Reputation	Perceived drop in innovation investment, artistic quality and access to talent, or association with an individual or organisation whose reputation becomes damaged, impacting all income streams and our ability to attract talent. Exacerbated by decrease in new work in 2022/23. Also, Perceptions of irrelevance, including commitment to diversity and accessibility. Mitigated by balanced programming supported by: - Production evaluation process, including tracking audience, social media and press response. - Retaining most high-profile new works and prioritising new commissions. - Creative diversity central to Company and L&P strategies. - Increased political engagement across the main political parties. - Additional Board support with Lisa Burger now supporting Sir Lloyd Dorfman on leading EDI
3.	Earned income	**Customer spend not maximised** Mitigated by: - Box office pricing initiatives to maximise yield whilst continuing to focus on accessibility. - Continued innovation and fine-tuning of offer. - Monthly strategic meetings; mystery shopper; catering consultant review; strong relationship across senior team. **Reduced philanthropic giving** Mitigated by new strategy in place since summer 2023, including an advocacy campaign with philanthropy at its heart. **Overall business model unsustainable in future economy** Mitigated by Bridging the Gap strategy in place: grow commercial, fundraising and corporate partner income and reduce operating costs via business transformation.
4.	Public investment	Risks are further reduction in ACE funding from April 2027. Mitigated through continuing to deliver excellence and public value, and though enhanced advocacy to make the case for investment in the arts (and ROH) more cogently (e.g. see the recently published McKinsey analysis of the economic and social impact of the arts sector – HERE).
5.	Cost control	Poor cost control risks a growing deficit to the point we can't deliver our objectives. Mitigated by: - Business Transformation programme including tech, digital strategy investment, business processes, culture change. - Strengthened procurement policies and controls, including e-procurement and tenders. - A capital / estates plan with cost reduction baked in.
6.	Health, safety and physical security	Serious injury or fatality; Legal challenge and resulting damages. Mitigated by a wide range of measures focused on: - Inherent risks of theatre (working at height for example). - Terrorist attack. - Cyber-attack. - Organisational culture. - Resource constraints. - Working practices and systems. - Facilities and equipment.

7.	Capacity to deliver programme	Inability to deliver planned programme, including digital, touring and other related revenue; Loss of staff goodwill, leading to pressure on industrial relations, retention, absenteeism and costs; Breach of health and safety. Mitigated by a wide range of measures focused on ensuring: - Effective and sufficient staff resource. - Fit-for purpose working practices and systems. - Maintenance of facilities or equipment.
8.	Equipment failure	Cancellation of a performance or digital event; Customer dissatisfaction with digital experience, impacting revenue; Loss of customer records. Mitigated by a wide range of measures focused on addressing: - Technology failure. - Estates failures. - Stage Equipment failure.
9.	Business continuity	Impact on business from a global catastrophic event such as another pandemic, terrorist attack or cyber attack, resulting in an inability to trade or operate the business. Mitigated by wide range of measures focused on: - Disaster recovery plans for a variety of scenarios. - Information technology resilience plans. - Business and cashflow plans.

Trustees' duty to promote the success of the Charity – Section 172 Statement

Section 172 of the Companies Act 2006 requires the trustees to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes.

The Companies Act 2006 requires The Royal Opera House, as a large company, to report on how trustees have complied with Section 172 and other linked matters.

Section 172: the Trustees must promote the success of the charity to achieve its charitable purposes by having regard to:

(A) The likely consequences of any decision long term

The current ROH Plan approved by the Trustees sets out four priorities which are aligned with the investment principles as set out by ACE and the actions and performance indicators for each over the period 2023-27.

These four principles are:

- Artistic Excellence
- Diversity and Inclusion
- Long Term Financial Viability
- Resilience

All the decisions made by Trustees are predicated on the desire to achieve these long term aims. The needs of all our beneficiaries: our current and future audiences as well as the many participants in our educational programmes as well as our other key stakeholders: our staff, our freelancers, the Arts Council England and donors, are vital to the success of our strategic plans.

Trustees also keep under review the charity's principal risks and opportunities and ensure that our plans can adapt to respond to changes as required. These are set out on pages 30-32 of this report.

The new ROH plan was approved by Trustees in 2023.

(B) The interests of the Charity's staff

The Trustees recognise that it is its staff and artists that make the Royal Opera House such a remarkable institution. Considering and protecting their interests is crucial to the success of the ROH and our decision-making processes takes this into account.

Three trade unions are recognised with whom we work closely and consult.

(C) The need to foster the charity's business relationships with suppliers, customers and others.

It is important for the ROH to ensure that we engage with our customers whether they are audiences in our theatre or the participants in our Learning and Participation programmes or simply those who visit the ROH. The Executive team regularly receives information on the audience feedback as well as detailed feedback from teachers and other educational participants. The ROH also communicates with our audience and those who are part of our membership programmes with targeted information according to their preferences whilst at the same time being mindful of data privacy concerns.

Our procurement function ensures that we deal with suppliers fairly and in a professional manner. We also develop strong working relationships with key suppliers who are able to work with us to best support and maintain our unique building.

(D) The impact of the charity's operations on the community and the environment

Trustees and Management recognise that sustainability and the environment are at the centre of our activities

and currently we are continuing work on a sustainability plan being implemented at all levels of the ROH. This is set out on pages 23-26. The ROH also works with both our local community but also communities elsewhere in the UK. We have long term partnerships in Thurrock as well as in Doncaster where we aim to foster community engagement with our artforms. And in addition we have more informal partnerships in Rotherham, Newcastle, Tees Valley, Birmingham, Bradford and Grantham.

(E) The desirability of the charity maintaining a reputation for high standards of business conduct

The Trustees recognise both that the ROH's reputation is critical both to its success and that we also have an obligation to maintain the highest standards given our position in the UK arts and charity sectors. Having adopted the Charity Governance Code in 2021 the trustees review this annually as part of their regular governance review.

There are a number of policies in place to promote corporate responsibility as well as ethical behaviour including anti-fraud and bribery, modern slavery, safeguarding, conflicts of interest, bullying and harassment, as well as donation and income acceptance. Summaries of all these policies are available on the ROH website and full versions are available on request.

The ROH Values and Behaviours continue to underpin our recruitment and induction processes as well as how we conduct our activities on and off stage. Our procurement strategy embeds ethical standards in our supply chain as well and health and safety and safeguarding compliance.

(F) How trustees have engaged with other stakeholder, e.g. service users, beneficiaries, funders and the wider community

We have outlined elsewhere in the report and in this statement how we engage with suppliers, staff, the wider community, customers and other users.

Our donors are a critical part of our success and this has been especially true in the current climate of rising costs including our energy costs and the decrease in our government grant. We continue to actively engage with all our donors at all levels. We receive significant funding from the Arts Council England (ACE) and it is an essential part of our financial wellbeing. We have a strong working relationship with ACE and keep them regularly informed on all aspects of our activities including having a representative attend some Board meetings.

(G) The need to act fairly as between members of the Charity and how directors/trustees have engaged with staff and taken account of their interests

We want to make sure we are able to attract and develop talented people who bring more, precisely because of the breadth of their different backgrounds, experiences, cultures and outlooks.

Recruiting and working with those talented people is just part of the work. We know that we need to create an environment where everyone believes they belong and can do their best work. Achieving inclusion requires inclusive leaders with the ability and desire to continually seek feedback, really listen and then act to establish a culture where difference is genuinely valued. We commit to regularly measuring our progress, holding our leadership team accountable for achieving our goals but we acknowledge that we must learn as we go.

Equality, Diversity and Inclusion

Our EDI commitments fall under six themes: Representation, Talent Pipelines, Individual Voices, Authenticity, Access and Governance.

- REPRESENTATION - Our stages and events will better reflect and celebrate a diversity of communities and experiences

- AUTHENTICITY - We will engage more proactively with communities to ensure that our portrayals of diverse cultures are respectful and authentic
- TALENT PIPELINES - We will do more to attract and nurture wider talent pools, particularly in those areas of our work where gender, ethnic diversity and disability are currently under-represented
- INDIVIDUAL VOICES - We will respect everyone as individuals and ensure equal access to the support needed for people to perform at their best. We will be sensitive to different lived experiences and will seek and listen to different cultural perspectives
- ACCESS - We will do more to improve the access to and visibility of our work to communities who have historically had less engagement with our artforms and remove or reduce any practical barriers to access for our audiences and workforce
- GOVERNANCE - We will do more to develop the skills required to lead our EDI work with cultural competence and confidence, and ensure we have effective policies and procedures in place to support our values and behaviours:

Monitoring Progress

The Royal Opera House Board of Trustees and Executive Team are responsible for the delivery of this strategy. Assessment of our success will be data driven, and high-level KPIs for EDI have been embedded in the ROH Business Plan. Transparency with staff on our plans and progress is key. We will consult with the Staff Diversity and Inclusion Network before this strategy and future updates are finalised and will report back formally to staff twice a season. This strategy was formally considered by the Board in October 2022 and approved.

ACKNOWLEDGEMENTS

In the 2022/23 Season we worked with a large number of organisations and we would like to thank them all for their partnership:

Acosta Danza
Aram Katchaturian Museum, Yerevan, Armenia
Arts Council England
Aurora Orchestra
Balenciaga
Ballet Black
Blackpool & Fylde College
Blackpool LCEP
BRB2
British Broadcasting Corporation
Britten Sinfonia
Cast Theatre
Children's Capital of Culture (Rotherham)
Cineworld
City Lit
Coventry LCEP
Creative UK
Curzon
Dance Reflections by Van Cleef & Arpells
darts, Doncaster Community Arts
David Ross Education Trust
Die Nederlandse Opera
Doncaster Council
Doncaster LCEP
Doncaster Music Service
Ensemble ZAR
Everyman
Festival d'Aix-en-Provence
Finnish National Opera
Finnish National Youth Ballet Company
Fundação Theatro Municipal de São Paulo
Gran Teatro del Liceu, Barcelona
Houston Grand Opera
Ibañez-Atkinson Fundación and Teatro Municipal de Santiago
Imagine Rotherham (LCEP)
Inspire+ Sports Partnership
Instituto Superior de Arte del Teatro Colon (ISATC)
Joburg Ballet
Just Us Dance Theatre
LOD Muziektheater
Lost Dog
Lyric Opera of Chicago
Magpie Dance
McNicol Ballet Collective
NBS-Japan Performing Arts Foundation
Northern Ballet
Norwegian National Ballet 2
Odeon
Opera Academy, Polish National Theatre and Opera
Opera National de Paris
Operanhaus Zurich
Place2Be
Polish National Ballet
Rambert School
ROSIS Rotherham Schools Improvement
Rotherham Music Service
Royal Danish Ballet
San Francisco Ballet
San Francisco Opera
Scottish Ballet
Shakespeare North Playhouse
Studio Wayne McGregor in association with The Jim Henson Company
Sutton Music Service
Teatro Real, Madrid
Thick and Tight
The Australian Ballet
The Elliot Foundation Academies Trust
The Grand, Blackpool
The Israeli Opera
The Metropolitan Opera, New York
The National Ballet of Canada
The Norwegian National Ballet
The Royal Ballet School
Thetford LCEP
Thurrock Music Service
Tonic
Trafalgar
Ukrainian Catholic Eparchy of the Holy Family
Volta
Vue
Wilderness Festival
ZooNation Youth Company
12 Ensemble

STRUCTURE, GOVERNANCE AND MANAGEMENT

Directors and Trustees
The directors of the charitable company ('The Royal Opera House' or 'the charity') are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who held office during the period and since period end were as follows:

Sir Lloyd Dorfman CVO CBE (Chair)
Zeinab Badawi
Caroline Britton
Lord Browne of Madingley
Timothy Bunting
Kirsty Cooper (appointed Senior Independent Director 4 October 2022)
Philipp Freise (appointed 7 December 2023)
Susan Hoyle OBE (retired as Senior Independent Director 4 October 2022)
Lisa Burger CBE (appointed 4 October 2022)
Vanessa Kingori OBE (appointed 4 October 2022)
Paul Morrell OBE
Indhu Rubasingham MBE
Janis Susskind OBE (appointed 4 October 2022)
Christopher Townsend CBE
Michael Ward (appointed 4 October 2022)
Danny Wyler
Sir Alexander Young KCMG (appointed 4 October 2022)

Chief Executive
Alex Beard CBE

Company Secretary
Leah Hurst

Governing Document
The Royal Opera House Covent Garden Foundation is a company limited by guarantee (company number: 00480523) governed by its Memorandum and Articles of Association, which were last amended on 5 October 2021. It is registered as a charity at the Charity Commission (charity number: 211775).

Charitable objects
Our charitable objects, as stated in the Royal Opera House governing document, are:

> 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 achievement of our aims as listed in the pages above (p15-p24) enable us to fulfil our charitable objects and therefore our legal purpose.

Public benefit
The Trustees refer to the Charity Commission's general guidance on public benefit when shaping and reviewing the Charity's aims, objectives and future strategies. In setting the level of ticket prices, charges and concessions, and in developing digital and broadcast distribution, the Trustees give careful consideration to the accessibility of the Royal Opera House to those on low incomes. As outlined in this report, this is addressed through maintaining a wide range of ticket prices, as well as through several ticket subsidy schemes, free events, digital and broadcast activity and an extensive learning and participation programme.

Appointment of Trustees
The Board of Trustees are responsible for the appointment of new trustees, who are appointed for an initial term of four years. The Nominations and Remuneration Committee has delegated authority to recruit Trustees who are formally elected at Board meetings and ratified at the next following Annual General Meeting of the Company. On the expiry of such initial term they may be re-appointed for additional terms

expiring on or before the financial year end following either the second or fourth anniversary of the date of re-appointment. No Trustee shall be appointed for a term exceeding twelve years. The Trustees appoint a Chair for a term of five years or less and on expiry of such term he or she may be re-appointed for a second term of three years or fewer by approval of the Trustees provided that on expiry of such second term he or she shall, unless the Trustees otherwise exceptionally determine, retire from office. The Nominations and Remuneration Committee reviews regularly the structure, size, composition, diversity and succession needs of the Board, ensuring that the Board has the required blend of skills and experience and its remit is to identify, assess and formally recommend to the Board candidates for appointment as Trustees.

Trustee Induction and training
New Trustees undergo an induction session with the Company Secretary to brief them on their obligations under charity and company law, the contents of the Memorandum and Articles of Association, the board manual and the committee and decision-making processes. During the induction new Trustees are also introduced to key staff and other Trustees.

Organisation
The direction and control of the Royal Opera House is determined by the Board of Trustees, which meets at least six times a year. The role of the Board is to direct the Royal Opera House strategy and to ensure that the Royal Opera House is on the approved strategic course (including artistic strategy) and that it is properly and effectively managed. The following sub-committees of the Board are established (which in the case of Finance and Commercial, Development, Learning and Participation and Digital Strategy, include members who are not Trustees).

Audit and Risk: The committee meets at least three times a year. The committee is chaired by Caroline Britton. Other members are Timothy Bunting (appointed 1 September 2022), Kirsty Cooper, Sir Lloyd Dorfman CVO CBE, Paul Morrell OBE, Danny Wyler and Sir Alex Younger KCMG (appointed 7 December 2022). Alex Beard, Mindy Kilby (Chief Financial Officer) and Heather Walker (Chief Operations Officer) report to all meetings. The committee is responsible for considering and reviewing matters relating to the control environment, including internal audit, health and safety and risk management, including consideration of matters raised by the external auditors. The committee is responsible for the appointment of the external auditors, meets regularly with them and reviews their performance and independence.

Finance and Commercial: The committee meets five times a year. The committee is chaired by Timothy Bunting. Other members are Caroline Britton, Lord Browne of Madingley (retired 7 December 2022), Timothy Bunting, Lisa Burger CBE (appointed 7 December 2022), Sir Lloyd Dorfman CVO CBE, Dan Ison, Vanessa Kingori OBE (appointed 7 December 2022), Julian Metherell (retired 28 September 2022), Paul Morrell OBE, Michael Ward (appointed 7 December 2022) and Danny Wyler. Alex Beard, Mindy Kilby (Chief Financial Officer) and Heather Walker (Chief Operations Officer) report to all meetings. The committee is responsible for reviewing and assessing the balance, integrity and transparency of financial information, the adequacy of financial planning, budgeting and forecasting, and the Royal Opera House's annual financial statements. It makes recommendations to the Board on major capital expenditure and revenue contracts and on the overall framework for delegated financial authority in the Royal Opera House.

Development: The committee was chaired by Danny Wyler until 7 December 2022 when Sir Lloyd Dorfman CVO CBE assumed the chair. Philipp Freise (appointed 4 October 2022) assumed the chair on 7 December 2023. Other members are Timothy Bunting, The Countess of Chichester (retired 7 July 2023), Sir Mick Davis, Dame Vivien Duffield (retired 7 July 2023), Anthony Gutman, Yuanbo Liu, Dame Gail Ronson (retired 7 July 2023), Nicole Ronson Allalouf, The Earl of Snowdon (retired 7 July 2023) and Danny Wyler. Alex Beard and Amanda Saunders (Chief of Staff, Development & Advocacy) report to all meetings. The committee supports the Development department in maximising fundraising opportunities and income.

Donation and Income Acceptance: Sir Lloyd Dorfman CVO CBE chairs the committee. Other members are Zeinab Badawi, Kirsty Cooper, Danny Wyler and Sir Alex Younger KCMG (appointed 7 December 2022). The committee supports the organisation around the ethical acceptance/rejection of sponsorship, donations and membership. This includes making decisions, recommending referral of those decisions to the Charity Commission where appropriate, assessing the potential impact of those decisions while advising the

business communications department with regard to their rationale, advising the main Board on the associated risks, annually reviewing the policy on accepting/rejecting such funds and monitoring compliance with this policy.

Learning and Participation: The committee is chaired by Susan Hoyle OBE. Other members are Alex Beard, Helen Bruckdorfer (retired 31 December 2023), Annie Crombie, Dame Vivien Duffield (retired 1 September 2022), Tanya Joseph, Simon Pearson, Jonathan Sands (retired 31 December 2023), Janis Susskind OBE (appointed 7 December 2022), Sharon Watson (appointed 7 December 2022) and Bridget Whyte. Jillian Barker (Director of Learning and Participation) reports to all meetings. The committee supports the organisation in planning, implementing and monitoring programmes and initiatives focused on learning, participation and widening engagement.

Nominations and Remuneration: Sir Lloyd Dorfman CVO CBE chairs the committee. Other members are Caroline Britton (appointed 1 September 2022), Lord Browne of Madingley (appointed 7 December 2022), Timothy Bunting (appointed 1 September 2022), Dame Vivien Duffield, Susan Hoyle OBE and Danny Wyler (retired 7 December 2022). Alex Beard and Dale Haddon also attends these meetings. The committee nominates appointees to the Board and other Senior Executives for approval by the Board. It may co-opt additional members where particular expertise is required and a particular role is under consideration. The committee is also responsible for the continuous review of Board membership to ensure that a proper balance of skills, experience and diversity is maintained. The committee is responsible for reviewing and benchmarking internationally the pay, benefits and total compensation of the Executive Team. The activities of the Royal Opera House are driven by the artistic plans of the Royal Ballet and the Royal Opera, and managed by the Chief Executive with the support of the Executive Team. The Committee consider the Chief Executive, Music Director, Director of the Royal Ballet and Director of Opera as key management personnel responsible for these activities. The Committee conducts an annual review of executive compensation, focussing on survey data from a range of comparable UK and international arts organisations, and also takes into account the annual pay award for all staff.

Business Transformation Group: The committee is chaired by Christopher Townsend CBE. Other members are Timothy Bunting, Sir Lloyd Dorfman CVO CBE, Dan Ison and Simon McGrath. The committee supports the organisation in overseeing the development and implementation of the organisation's strategy for digital transformation.

Executive Team: the day-to-day management is the task of the Royal Opera House Executive

The Trustees appoint the Chief Executive and Music Director. Royal Opera House operations are managed by the Chief Executive with the assistance of an Executive Team comprising:

Alex Beard CBE, Chief Executive
Peter Alesbury, Director of Estates and Facilities (from 10 October 2022)
Jillian Barker, Director of Learning and Participation
Heather Baxter, Administrative Director, The Royal Ballet
Helen Dunne, Orchestra Director
Dale Haddon, Chief People Officer
Will Harding, Deputy Director, Production and Planning
Mark Heholt, Director of Policy and Strategic Funding
Leah Hurst, General Counsel and Company Secretary
Peter Katona, Director of Casting
Koen Kessels, Music Director, The Royal Ballet
Mindy Kilby, Chief Financial Officer
Terry McGrath, Director of Audiences & Media (until 31 March 2024)
Tracey McNulty, Director Information Technology (from 9 October 2023)
Oliver Mears, Director of Opera
Kevin O'Hare CBE, Director, The Royal Ballet
Christina Osterby, Commercial Director, Audiences & Media (from 1 November 2022)
Sir Antonio Pappano CVO, Music Director

Amanda Saunders, Chief of Staff, Development & Advocacy
Cormac Simms, Administrative Director, The Royal Opera
Jane Storie, Business Director
Heather Walker, Chief Operating Officer
James Whitebread, Chief Technology Officer (until 14 July 2023)
Sophie Wybrew-Bond, Chief Commercial Officer (from 03 January 2024)
Emma Wilson MBE, Director of Technical, Production and Costume

The Chief Executive (assisted by the Executive Team) is responsible for the development and implementation of the strategy and business plans of the Royal Opera House. The full Executive Team meets monthly to monitor artistic, operational and financial progress against plans approved by Trustees, with a smaller group meeting weekly. It should be noted that where the title 'Director' is used in the above table this is an internal management term only and does not indicate directorship according to the Companies Act definition.

The Royal Opera Company and The Royal Ballet Company are internal divisions of the charity. The Royal Ballet has a Royal Charter dating in its original form from 1956. The Royal Opera House, The Royal Ballet and The Royal Opera Company have the Sovereign's permission to use the word 'Royal' in their titles.

We would also to thank the following for support, advice and encouragement throughout the year:
Honorary Vice Presidents
Dame Vivien Duffield
Sir Simon Robey

Honorary Trustees
The Countess of Chichester
Dame Gail Ronson

The Board of the Royal Opera House Endowment Fund
Dame Vivien Duffield, Chair
Caroline Britton (appointed 16 November 2022), Timothy Bunting, Hamish Forsyth, Lady Gavron, Sir Simon Robey, Peter Troughton CVO CBE (retired 20 April 2023)

Board of Honorary Directors
Sir Lloyd Dorfman CVO CBE, Chair
The Countess of Chichester, Honorary Vice Chair
Dame Gail Ronson, Honorary Vice Chair
Danny Wyler, Honorary Vice Chair (appointed 7 July 2023)

Lady Ashcroft
Tim Ashley and John Booth
Mikhail Bakhtiarov
The BAND Trust
Mercedes T. Bass
Boodles - Michael Wainwright
The Deborah Loeb Brice Foundation
Tim and Sarah Bunting
John and Susan Burns OBE
Ricki Gail Conway
Sir Mick and Lady Barbara Davis
Baron and Baroness de Gunzburg
Sir Lloyd and Lady Dorfman OBE
Aline Foriel-Destezet
David Fransen
Alex and Elena Gerko
Kenneth and Susan Green
Sandra and Anthony Gutman
Charles and Kaaren Hale
Lady Hamlyn
Jane Hamlyn
Lady Heywood
Dr Catherine Høgel
Charles Holloway
Alan and Caroline Howard
Huo Family Foundation
Aud Jebsen
Doug and Ceri King
Frances Kirsh
Mrs Alfiya Askar Abulkhair and Timur Kuanyshev
Rena and Sandro Lavery
Bob and Tamar Manoukian

Dr Patrick Mueller
Bertrand and Elisabeth Meunier
Dame Marit Mohn
Mrs Susan A. Olde OBE
Stefan Sten Olsson
Jette and Alan Parker
Natalie Parker
Melinda and Donald Quintin
Julia and Hans Rausing
Yvonne and Bjarne Rieber
Sir Simon and Lady Robertson
Sir Simon Robey
Victoria Robey OBE
Rolex – Arnaud Boetsch
The Gerald and Gail Ronson Family Foundation
Veuve Clicquot – Alexei Rosin
Lady Sainsbury of Preston Candover
Dame Tina Taylor
Lindsay and Sarah Tomlinson
Van Cleef & Arpels – Geoffroy Medinger
Danny and Lillan Wyler

Anonymous (4)

The Royal Opera House Pension Fund: Richard Soper, Chair

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number

211775

Company number

00480523

PRINCIPAL OFFICE

Royal Opera House,
Covent Garden, London,
WC2E 9DD

AUDITORS

Crowe UK LLP, 55 Ludgate Hill, London, EC4M 7JW

BANKERS

Coutts & Co. 440 Strand, London, WC2R 0QS

INVESTMENT ADVISORS

Stonehage Fleming Investment Management Limited, 15 Suffolk Street, London SW1Y 4HG

Troy Asset Management Limited Brookfield House, 33-34 Davies Street, London W1K 4BP

Newton Investment Management Limited BNY Mellon Centre, 160 Queen Victoria Street, London, EC4V 4LA

ACTUARIES

(to the Royal Opera House Pension Scheme) **Lane Clark & Peacock LLP,** 95 Wigmore Street, London, W1U 1DQ

INTERNAL AUDITORS

RSM UK Group LLP, 25 Farringdon Street London EC4A 4AB

LOTTERY FUNDED | Supported using public funding by ARTS COUNCIL ENGLAND

Group entities

On 27 August 2023 the group included the charity and:

Royal Opera House Endowment Fund 2000

Royal Opera House Enterprises Limited

ROH Holdings Limited

ROH Developments Limited

The consolidated financial statements include the results of these entities, as detailed in note 2. See note 2 for the principal activities of these entities.

Equality policy/statement
The Royal Opera House has an ongoing commitment to promoting diversity throughout all its work – as an employer, in the art we perform, and in the extent of our audience. We report annually to Arts Council England on our progress against an action plan, which is keenly monitored by the Board of Trustees.

Environmental strategy
It is the ambition of the Royal Opera House to be a leader in environmental sustainability and to act as a catalyst for positive change in this field.

Recognising our global reach and leadership role within the UK arts sector, we embrace our responsibility and obligation to reduce our impact on the environment and we aim to engage with our audiences, staff, suppliers and partners to raise awareness about sustainability issues. It is our belief that reducing our environmental impact will not only have a positive effect on the environment, but will also make our operations more efficient and economical and will enhance our organisational resilience in the long term.

Health and safety
The charity has a health and safety committee comprised of representatives from many departments. All new staff are issued with a health and safety policy document. In addition, under the supervision of the occupational health unit, there are trained first-aiders in all departments. A full report on Health and Safety is considered annually by the Board.

Staff
The charity informs and seeks the views of its staff by means of regular department meetings open to all staff and newsletters. Regular meetings are held with the recognised unions: BECTU (Broadcasting Entertainment Cinematograph and Theatre Union), The Musicians' Union and Equity.

Disabled persons
The charity encourages the employment of disabled persons. It is Board policy to ensure that continued employment is offered, wherever possible, to staff who become temporarily disabled and special arrangements are made for those permanently disabled.

Political and charitable contributions
The charity made no political contributions during the period. No charitable contributions were made during the period, other than as disclosed in Note 13 to the financial statements.

Payment policy
It is the charity's policy to pay suppliers in accordance with agreed credit terms. The Royal Opera House had trade creditors equivalent to 25 days supply at the period end *(52 week period ended 28 August 2022: 25 days).*

Fundraising statement

Our guiding principle for fundraising is to build secure, long term fundraising support from our Members, encouraging their interest in our charitable work, allowing them to engage with our staff and projects and seeing how their additional gifts help us. Our fundraising materials are written and designed around this principle.

Fundraising activities include targeted direct mail, events and leaflets at promoting donations and bequests, donations through our website, and approaches to Trusts, Foundations, companies and individual benefactors.

Our fundraising is carried out by our in-house fundraising teams and we are a registered member of The Fundraising Regulator. We have procedures in place to ensure our staff and volunteers comply with fundraising standards and regulation; we are not aware of any failure by our staff or volunteers to meet these standards. We are committed to acting promptly if we receive any information indicating we have not met these standards.

In 2022/23 we received 10 general fundraising complaints about our fundraising activity. If complaints are received we respond quickly and ensure corrective action is taken as required. If complaints are received about the suggested donations added to ticket purchases, these are refunded at the point of complaint.

We take our responsibilities on managing our contact data very seriously and we strive to ensure that our policies and procedures around data and processing meet our legal requirements, our high expectations and those of our supporters. As part of the risk-based audit plan and in line with our risk management processes, Internal Audit performs regular reviews of the Fundraising team activities and control environment.

We recognise the need to protect vulnerable people. We ensure comprehensive training is provided to ensure that empathy and respect are demonstrated towards people in vulnerable circumstances and that no donation is sought or gained from someone who may not have the capacity to make an informed and considered decision.

We respect our supporters' privacy and rights to decide how and if we contact them. We make it easy for supporters to choose how they want to hear from us, and if they ask us not to contact them we will not, unless it is a legal or administrative requirement.

Trustees' responsibilities statement

The Trustees (who are also directors of Royal Opera House Covent Garden Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected 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. Under company law 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgements 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 charitable group will continue in business.

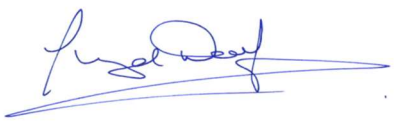
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Annual Report (incorporating the strategic report) was approved by the Board of Trustees and signed on 21 March 2024.



Sir Lloyd Dorfman CVO CBE, Chair

Independent Auditor's Report to the Members of Royal Opera House Covent Garden Foundation

Opinion

We have audited the financial statements of Royal Opera House Covent Garden Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the 52 week period ended 27 August 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated Balance Sheet, the Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows 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 group's and parent charitable company's affairs as at 27 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 Companies Act 2006.

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 charitable company 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 charitable company'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, 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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 48, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

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 charitable company and Group 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 Companies Act 2006 and 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 charitable company's and the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the Group 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members 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

22 March 2024

FINANCIAL STATEMENTS

ROYAL OPERA HOUSE COVENT GARDEN FOUNDATION (LIMITED BY GUARANTEE)

Consolidated financial statements

52 week period ended 27 August 2023

Registered charity number: 211775. Registered company number: 00480523.

Consolidated statement of financial activities

for the 52 week period ended 27 August 2023

	Note	Total Unrestricted Funds	Restricted Funds	Endowment Funds	52 week period ended 27-Aug-23 Total Funds	52 week period ended 28-Aug-22 Restated Total Funds
		£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Charitable activities						
Operation of Royal Opera House (including box office)	3	**80,292**	**-**	**-**	**80,292**	51,007
Grant from Government	4	**-**	**-**	**-**	**-**	18
Donations and legacies						
Donations, legacies and similar incoming resources	5	**19,115**	**14,974**	**914**	**35,003**	37,092
Grants from Arts Council England	6	**23,553**	**749**	**-**	**24,302**	25,212
Other trading activities						
Commercial trading income	7	**20,882**	**-**	**-**	**20,882**	14,841
Investments	8	**2,731**	**388**	**-**	**3,119**	743
Other Income	9	**799**	**-**	**6,300**	**7,099**	**-**
Total income and endowments		**147,372**	**16,111**	**7,214**	**170,697**	128,913
Expenditure on:						
Raising Funds						
Generating voluntary income	10	**(5,201)**	**-**	**(270)**	**(5,471)**	(4,632)
Commercial activities	11	**(13,979)**	**-**	**-**	**(13,979)**	(10,706)
Charitable activities						
Productions, sales and operations	12	**(118,334)**	**(15,967)**	**(1,006)**	**(135,307)**	(117,803)
Total expenditure	16	**(137,514)**	**(15,967)**	**(1,276)**	**(154,757)**	(133,141)
Net (expenditure) / income		**9,858**	**144**	**5,938**	**15,940**	(4,228)
Net gain / (loss) on investments	19	**-**	**-**	**52**	**52**	(648)
Net income / (expenditure)		**9,858**	**144**	**5,990**	**15,992**	(4,876)
Transfers between funds	17	**577**	**(548)**	**(29)**	**-**	-
Other recognised gains						
Actuarial gain on the defined benefit pension scheme	31	**934**	**-**	**-**	**934**	15,196
Net movement in funds		**11,369**	**(404)**	**5,961**	**16,926**	10,320
Fund balances brought forward at 28 August 2022 as previously stated		**198,718**	**11,222**	**44,805**	**254,745**	244,425
Restatement		**-**	**(1,582)**	**1,582**	**-**	-
Fund balances brought forward at 28 August 2022 restated		**198,718**	**9,640**	**46,387**	**254,745**	244,425
Fund balances carried forward at 27 August 2023	27	**210,087**	**9,236**	**52,348**	**271,671**	254,745

Amounts relating to incoming resources and resources expended in the current and previous period derive from continuing activities. No significant new operations have been acquired in the period or the previous period.

There is no difference between the results for the period stated above and their historical cost equivalents, except for unrealised gains and losses on investments and heritage assets (see note 19).

Notes from pages 57 – 101 form part of the financial statements.

Consolidated balance sheet

as at 27 August 2023

	Note	Un-Restricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	27 August 2023 Total Funds £'000	28 August 2022 Restated Total Funds £'000
Fixed assets						
Intangible fixed assets	*20*	**1,527**	**-**	**-**	**1,527**	1,492
Tangible fixed assets	*21*	**167,621**	**9,932**	**-**	**177,553**	180,748
Heritage assets	*23*	**6,022**	**-**	**-**	**6,022**	6,022
Investments	*22(a)*	**-**	**-**	**38,275**	**38,275**	38,426
Total fixed assets		**175,170**	**9,932**	**38,275**	**223,377**	226,688
Current assets						
Productions in preparation		**3,822**	**-**	**-**	**3,822**	3,567
Stocks	*24*	**324**	**-**	**-**	**324**	254
Debtors: amounts falling due after more than one year	*25*	**717**	**-**	**-**	**717**	6,535
Debtors: amounts falling due within one year	*25*	**30,267**	**-**	**403**	**30,670**	20,337
Cash at bank and in hand	*32*	**50,778**	**1,002**	**13,670**	**65,450**	50,163
Short term invetsments: Deposits		**30,020**	**-**	**-**	**30,020**	30,061
		115,928	**1,002**	**14,073**	**131,003**	110,917
Creditors: amounts falling due within one year	*26*	**(46,601)**	**(213)**	**-**	**(46,814)**	(45,690)
Net current assets		**69,327**	**789**	**14,073**	**84,189**	65,227
Total assets less current liabilities		**244,497**	**10,721**	**52,348**	**307,566**	291,915
Creditors: amounts falling due after one year	*26*	**(21,606)**	**(1,485)**	**-**	**(23,091)**	(22,992)
Net assets excluding pension liability		**222,891**	**9,236**	**52,348**	**284,475**	268,923
Defined benefit pension scheme liability	*31*	**(12,804)**	**-**	**-**	**(12,804)**	(14,178)
Net assets including pension liability		**210,087**	**9,236**	**52,348**	**271,671**	254,745
Funds						
Unrestricted general funds	*27*	**4,200**	**-**	**-**	**4,200**	4,156
Unrestricted revaluation funds	*27*	**389**	**-**	**-**	**389**	389
Unrestricted designated funds	*27*	**218,302**	**-**	**-**	**218,302**	208,351
Unrestricted funds before pension reserve		**222,891**	**-**	**-**	**222,891**	212,896
Unrestricted pension reserve	*31*	**(12,804)**	**-**	**-**	**(12,804)**	(14,178)
Restricted funds	*27*	**-**	**9,236**	**-**	**9,236**	9,640
Endowment fund	*27*	**-**	**-**	**52,348**	**52,348**	46,387
Total Funds		**210,087**	**9,236**	**52,348**	**271,671**	254,745

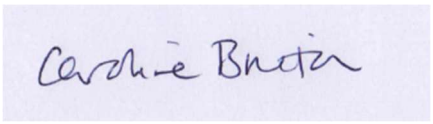
These financial statements were approved by the board of Trustees on 21 March 2024 and were signed on its behalf by:

SIR LLOYD DORFMAN CVO CBE



Trustee

CAROLINE BRITTON



Trustee

Notes from pages 57 – 101 form part of these financial statements.

Parent charitable company balance sheet

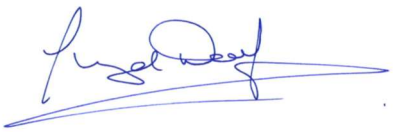
as at 27 August 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	27 August 2023 Total Funds £'000	28 August 2022 Total Funds £'000
Fixed assets					
Intangible fixed assets	*20*	**1,527**	**-**	**1,527**	1,492
Tangible fixed assets	*21*	**167,620**	**9,932**	**177,552**	180,748
Heritage assets	*23*	**6,022**	**-**	**6,022**	6,022
Investment in subsidiaries	*22(b)*	**6,676**	**-**	**6,676**	6,676
Total fixed assets		**181,845**	**9,932**	**191,777**	194,938
Current assets					
Productions in preparation		**3,822**	**-**	**3,822**	3,567
Debtors: amounts falling due after more than one year	*25*	**-**	**-**	**-**	200
Debtors: amounts falling due within one year	*25*	**29,766**	**-**	**29,766**	19,636
Cash at bank and in hand	*32*	**49,839**	**678**	**50,517**	46,868
Short term invetsments: Deposits		**30,020**	**-**	**30,020**	30,061
		113,447	**678**	**114,125**	100,332
Creditors: amounts falling due within one year	*26*	**(44,544)**	**-**	**(44,544)**	(43,753)
Net current assets		**68,903**	**678**	**69,581**	56,579
Total assets less current liabilities		**250,748**	**10,610**	**261,358**	251,517
Creditors: amounts falling due after one year	*26*	**(21,606)**	**(1,485)**	**(23,091)**	(22,992)
Net assets excluding pension liability		**229,142**	**9,125**	**238,267**	228,525
Defined benefit pension scheme liability	*31*	**(12,804)**	**-**	**(12,804)**	(14,178)
Net assets including pension liability		**216,338**	**9,125**	**225,463**	214,347
Funds					
Unrestricted general funds	*27*	**4,671**	**-**	**4,671**	4,672
Unrestricted revaluation funds	*27*	**389**	**-**	**389**	389
Unrestricted designated funds	*27*	**224,082**	**-**	**224,082**	214,129
Unrestricted funds before pension reserve		**229,142**	**-**	**229,142**	219,190
Unrestricted pension reserve	*31*	**(12,804)**	**-**	**(12,804)**	(14,178)
Restricted funds	*27*	**-**	**9,125**	**9,125**	9,335
Total Charity Funds		**216,338**	**9,125**	**225,463**	214,347

The parent company's profit for the period, before other comprehensive income, was £10.182m (2022: £0.146m loss). After actuarial gain on defined benefit scheme of £0.934m (2022: £15.196m), the profit for the period was £11.116m (2022: £15.050m).

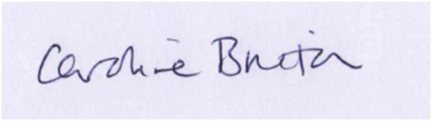
These financial statements were approved by the board of Trustees on 21 March 2024 and were signed on its behalf by:

SIR LLOYD DORFMAN CVO CBE



Trustee

CAROLINE BRITTON



Trustee

Notes from pages 57 – 101 form part of these financial statements.

Consolidated statement of cash flows

for the 52 week period ended 27 August 2023

	Note	**52 week period ended 27-Aug-23**	52 week period ended 28-Aug-22
		£'000	£'000
Cash inflow from operating activities	32(a)	**19,241**	12,779
Cash (outflow) from investing activities	32(b)	**(3,853)**	(13,589)
Cash (outflow) from financing activities	32(c)	**(102)**	(102)
Change in cash and cash equivalents in the reporting period		**15,287**	(912)
Cash and cash equivalents at the beginning of the reporting period		**50,163**	51,075
Cash and cash equivalents at the end of the reporting period		**64,450**	50,163

Notes from pages 57 - 101 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 financial statements:

Basis of preparation

The financial statements have been prepared in accordance with FRS102 : The Financial Reporting Standard applicable in the UK and Republic of Ireland and under the historical cost convention, modified to include the revaluation of investments and heritage assets, and in accordance with 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) and Companies Act 2006. There are no material departures from FRS102.

Comparative figures are shown for the 52 week period ended 28 August 2022.

Going Concern

The Trustees must satisfy themselves as to the Royal Opera House's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Board of Trustees have considered business plans and budgets based on an artistic programme of activity to August 2025, supplemented by outline plans in other areas. These plans show the impact of the challenges ahead given the reduction in ACE funding from April 2023, the external environment and the impact of inflation, and in the Board's assessment of going concern if they are taken into consideration whether the Royal Opera House has adequate resources to meet its obligations as they fall due in and beyond the 12 months from the date of approval of these financial statements.

In assessing going concern, the Board considered the financial impact of any shortfall in fundraising and trading income, and the impact of further increases on costs in excess of current plans. Whilst the Trustees are confident that these risks have adequate mitigation to ensure the ROH remains a going concern, the modelling shows that there is sufficient liquidity to August 2025 excluding mitigations.

After consideration of the scenarios, the Trustees consider that the Royal Opera House (Group and Parent Charitable Company) has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason, the financial statements of the Group and Parent Charitable Company have been prepared on a going concern basis.

Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of the charity (Royal Opera House Covent Garden Foundation (Limited by Guarantee), incorporated in the United Kingdom with registered address and principal address of Royal Opera House, Covent Garden, London WC2E 9DD) and its subsidiaries as set out in note 22(b). All subsidiary results are presented for their statutory financial period, which falls within three months of the year end of the charity. The results of the ROH Holdings Limited Group and Royal Opera House Enterprises Limited (Company Number 04112266) have been included in the consolidated statement of financial activities throughout the period. ROH Holdings Limited (Company Number 02580395) is the holding company of ROH Developments Limited (Company Number 02580400). In the charity's financial statements, the investment in subsidiary undertakings is stated at cost.

The Royal Opera House Endowment Fund 2000 (Charity Registration Number 1089928) has also been consolidated in full throughout the period. Since its inception the Fund has been able to make grants (directly or indirectly) for the benefit of the Royal Opera House. The extent to which the Royal Opera House benefits from the Royal Opera House Endowment Fund 2000 and the extent of grants and consideration of grants to other bodies has been reviewed annually by the Trustees since its creation. Since the beginning of the period ended 25 March 2007, the Trustees have considered it appropriate to consolidate the Royal Opera House

Endowment Fund 2000 into the Royal Opera House Covent Garden Foundation Group (formerly the Royal Opera House Covent Garden Limited Group). In the Trustees' view, Royal Opera House Covent Garden Foundation has control in that it actually exercises dominant influence over the Royal Opera House Endowment Fund 2000, through influencing the operating and financial policies for the benefit of the ROH and both entities are managed on a unified basis. Also, the objects of Royal Opera House Endowment Fund 2000 are substantially confined to the benefit of Royal Opera House Covent Garden Foundation.

A separate Statement of Financial Activities, or income and expenditure account, has not been presented for the charity in accordance with Section 408 of the Companies Act 2006. The income and expenditure of the charity are detailed in note 27. A separate cash flow statement has not been presented for the charity in accordance with FRS 102 section 1.12(b).

Public Benefit Entity
The Royal Opera House Covent Garden Foundation (Limited by Guarantee) is a Public Benefit Entity under FRS102.

Significant judgements and key sources of estimation uncertainty
Management have exercised their judgement in the following areas:

Assessing the useful lives of tangible fixed assets (see **Tangible fixed assets and depreciation** below) as well as any impairment provision required for those assets. See note 21 for carrying values for the current and prior periods.

The valuation method of heritage assets. See **Heritage assets** below and note 23 for more details and for carrying values for the current and prior periods.

The decision to include ROH Endowment Fund 2000 in the Group Consolidation. See **Basis of consolidation** above.

In addition, the pension actuarial assumptions (see **Pension Costs** below and note 31) are areas of significant judgement.

That the rate payable on the intragroup loan payable from Royal Opera House Enterprises Limited to Royal Opera House Covent Garden Foundation Limited a commercial rate of interest and that, given the decision to continue not to demand immediate payment, that the long term portion of the loan continue to be disclosed in **Debtors: amounts due after more than one year** (see note 25).

Management have used estimations in the following areas:

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 25 for carrying values for the current and prior periods.

In addition, the valuation of Investment in Programming assets (see **Intangible Fixed Assets** below and note 20) is an area of significant judgement and estimation.

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

Income
Box office and other income from the operation of the Royal Opera House is stated net of Value Added Tax and consists primarily of ticket sales together with sales of other goods and services. Revenue from ticket sales is recognised on the night of the performance.

Membership income received is recognised on a time-apportioned basis over the period to which the membership relates.

Grants and donations are 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 5)

Legacies are accounted for when the receipt is probable, there is evidence of entitlement and can be measured reliably. Entitlement is assessed using conditions as set out in the will of the deceased legacy owner.

Sponsorship income represents income from commercial organisations in support of specific activities. Income is recognised at the date of the event which is the point of delivery for goods or services.

Co-production income represents income from other theatre companies as a contribution towards the costs of delivering a new Opera or Ballet production. Income is recognised at the date of the first performance of the production.

Grants from Arts Council England are recognised on entitlement and when their receipt is probable.

Commercial trading income and other income is recognised at the point of delivery of goods or services.

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.

Amounts due to the Royal Opera House in respect of the Theatre Tax Credit are included in the financial year to which the claim relates. These amounts are recognised in income, rather than as a tax credit or recovery of expenditure, as the intention and nature of the Theatre Tax Credit is akin to government grant income.

Payment from a trading subsidiary under Gift Aid
Royal Opera House Enterprises Limited has adopted a policy of paying all its taxable profits to its parent charity, Royal Opera House Covent Garden Foundation, under Gift Aid. These gift aid payments are recognised in Royal Opera House Enterprises Limited as distributions through equity in the financial period in which the profits arise, under the terms of the Deed of Covenant between Royal Opera House Enterprises Limited and Royal Opera House Covent Garden Foundation.

The Royal Opera House Covent Garden Foundation recognises the income in the period in which the profits of the subsidiary arise.

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 Charity. Assets are recognised only when it is probable that future economic benefits will flow to the Charity 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 notes 30(b) and 30(c).

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.

Fund accounting
Unrestricted funds are those that can be used in accordance with the charitable objectives at the discretion of the Trustees and include designated funds, representing unrestricted funds which have been earmarked for particular purposes.

Restricted funds are to be used in accordance with charitable objects and specific restrictions placed by the donor. Restricted funds have been further subdivided into restricted income funds and endowment funds. Restricted income funds are expendable at the discretion of the Trustees on specific purposes as required by donors.

Endowment funds represent those assets that are required to be invested to produce income to meet expenditure, either as directed by the endowment or for general purposes.

A transfer is made between restricted capital funds, representing tangible fixed assets required to be held for restricted purposes, and unrestricted funds to match depreciation charged on those tangible fixed assets.

Cash at bank and in hand
Cash at bank and in hand 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. These include deposits with more than 24 hours' notice to access. Any cash deposits at institutions with a notice period of longer than three months are separately disclosed under Short term investments: Deposits.

Short term investments: Deposits
Cash deposits with notice periods of more than three months are separately disclosed on the balance sheet and included in investing activities for the purposes of the cash flow statement. These have a maturity date of less than one year and are held for investment purposes rather than to meet short-term cash commitments as they fall due.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less accumulated depreciation. Tangible fixed assets costing less than £1,500 are not capitalised and are expensed through the income and expenditure account. Depreciation is provided at annual rates on a straight-line basis to write off the cost of tangible fixed assets over their estimated useful lives.

The principal rates used are as follows:

Freehold land and buildings	1 - 10%
Equipment and vehicles	2 - 33%
Stage, production and technical equipment	2 - 20%
Other equipment	2 - 25%
Computer hardware	33%
Motor vehicles	25%

Assets in course of construction are transferred to functional tangible fixed asset categories when the asset is ready for use and depreciated thereafter.

Heritage assets
The Royal Opera House maintains the following types of heritage assets:

- Fine art
- Costumes and accessories
- Other collections

Heritage assets are carried at fair value. Fair value of the fine art collection is based on retail replacement cost. Management have made reference to the latest available external valuations in forming their assessment of period end fair value. Gains and losses on revaluation are recognised through 'Other recognised gains' in the Statement of Financial Activities.

The Royal Opera House only recognises new acquisitions on the Balance Sheet where the value of these acquisitions is greater than £10,000. Purchases under £10,000 are recognised as an expense in the income and expenditure account in the period they were incurred.

Outside of those assets recognised on the balance sheet, there is an extensive collection of other items that are not valued and not included on the balance sheet. These include, but are not limited to, costumes, accessories, music scores and the audio visual collection. Before embarking on a comprehensive valuation, these assets would need to be fully catalogued, and given the extent of the items this would be a considerable and lengthy task. Also, due to the uniqueness of the majority of these assets, there is no comparable market value.

Expenditure which is required to preserve or prevent further deterioration of individual collection items is recognised in the income and expenditure account when it is incurred. The Collections department has a rolling programme of review and restoration and the budget put aside for this on an annual basis is £15,000.

Investments
Investments, excluding investments in subsidiaries, are shown at fair value as at the balance sheet date. 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 the 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 the asset or liability.

Realised and unrealised gains on investments are recognised in the income and expenditure account. Investments in subsidiaries are recorded at cost in the individual balance sheet of the charity.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the exchange rate ruling at balance sheet date. Transactions in foreign currency are translated at the exchange rate ruling at that date of the transaction. Foreign currency gains and losses are recognised as resources expended in the income and expenditure account.

Intangible fixed assets
Intangible fixed assets include investment in programming costs and computer software.

Investment in programming costs are capitalised and amortised over their expected useful life, which is up to two years depending on format and the terms of licences acquired. The costs capitalised are third party costs that include capture costs, post-production costs, rights clearances and other directly attributable costs. These assets are reviewed for impairment where events or changes in circumstances indicate that the carrying amount may not be recoverable. Any anticipated losses on individual projects are expensed in the income and expenditure account.

Computer software is stated at cost less accumulated amortisation. Computer software costing less than £1,500 is not capitalised and is expensed through the income and expenditure account. Amortisation is provided at an annual rate of 33% on a straight-line basis to write off the cost of the computer software over its estimated useful life. Computer software in course of construction is transferred to the intangible asset category when the asset is ready for use, and amortised thereafter.

Basic Loans
Loans payable are included at their amortised cost and disclosed in note 26. The long term portion is included in Creditors: amounts falling due after one year with the current portion included in Creditors: amounts falling due within one year.

Loans receivable are included at their amortised cost and disclosed in note 25. The long term portion is included in Debtors: Amounts due after one year with the current portion included in Debtors: amounts due within one year.

Expenditure
Expenditure on charitable activities comprises expenditure on productions, sales and operations of the Royal Opera House, and grants and transfers to third party organisations. Direct expenditure on productions staged is charged to costs of production and sales on the day of the first performance. Expenditure relating to productions which have not had their first performance by the period end are held on the balance sheet under the caption 'Productions in preparation.'

Expenditure on raising funds consist of direct fundraising costs, investment managers fees and costs of commercial trading operations. These costs are recognised when incurred.

Support costs, including management and administration, and premises and depreciation costs have been allocated across expenditure on production, sales and operation, and expenditure on raising funds. Support costs are analysed in note 15.

On occasion, management decides to make redundancy or termination payments for operational reasons. These are expensed in the SOFA on an accruals basis.

Governance costs, including audit fees and legal and professional fees on statutory and governance matters, are allocated across expenditure on productions, sales and operation, and expenditure on raising funds. These are analysed in note 14.

Interest payable is shown separately in note 15 and in note 26.

Any irrecoverable VAT is included as part of the cost to which it relates.

Leases
As a lessee: Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

As a lessor: 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.

Pension costs
The charity operates a pension scheme providing benefits based on final pensionable pay, which is now closed to future accrual. Pension scheme assets are measured at fair value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability method. The pension scheme liability is disclosed on the balance sheet within unrestricted funds. The actuarial gain or loss for the period is disclosed under other recognised gains and losses in the Statement of Financial Activities. The current service costs and finance charge are included within expenditure on productions, sales and operations. These movements are analysed in detail in note 31.

The group also contributes to five defined contribution schemes for dancers, singers, musicians, and administration staff. The amounts charged to the Statement of Financial Activities represent the contributions payable to the schemes during the period. The amounts are shown in the Statement of Financial Activities in the same activity as the payroll costs which relate to that activity. For amounts which relate to payroll costs within support costs, these are allocated to the relevant activity on the same basis as other support costs (see note 15).

Any liabilities for unpaid contributions at year end are included in unrestricted creditors in the balance sheet.

Stocks
Retail items are included at the lower of cost and net realisable value.

Productions in preparation
Expenditure relating directly to a production which is incurred in advance of its staging, such as commissioning, build costs and stocks of production materials, are held in the first instance on the balance sheet and disclosed under the heading 'Productions in preparation.' These costs are subsequently charged to the income and expenditure account in the period in which the production's first performance takes place.

Gifts in kind
Investments and other assets donated to the charity are included as donated voluntary income valued at market value at the time of receipt.

Volunteers
The Royal Opera House Group benefits from the role played by volunteers, which includes assisting in certain learning and participation activities, helping with large mail-outs and some general administrative support. The Royal Opera House Volunteer Programme includes a number of volunteers in Thurrock. Donated services such as the contribution from unpaid volunteers are not recognised in the Statement of Financial Activities as the amounts involved would be impractical to measure.

Financial Instruments
Financial instruments are accounted for in accordance with FRS102. Financial instruments are recognised only when the Group and Charity becomes a party to the contractual provisions of the instrument.

The initial amount recognised is the transaction price, except for financing transactions (for example, loans below market rate or accounts where payment is deferred beyond normal terms) where the amount recognised initially is the present value of the future payments, discounted at a market rate of interest for a

similar debt instrument and subsequently at amortised cost using the effective rate of interest determined at inception of the loan.

Subsequent measurement at each year end for non-financing transactions is:

- undiscounted cash receivable or payable for debt instruments due or receivable within one year (this includes intra-group balances, apart from intra-group loans, which are deemed to be repayable on demand); or
- amortised cost using the effective interest rate method for debt instruments due or receivable for more than one year; or
- fair value for investments in publicly traded shares, funds and bonds.

For financial assets measured at amortised cost, an impairment assessment is conducted at year end and if there is any objective evidence of an impairment loss, that loss is recognised in the Statement of Financial Activities immediately. Where there is subsequently objective evidence that the circumstances have improved, the impairment loss is reversed in the Statement of Financial Activities immediately, limited to what the carrying amount would have been without the initial impairment.

A financial asset and a financial liability is offset and the net amount presented in the Balance Sheet when, and only when, (a) there is currently a legally enforceable right to set off the recognised amounts; and (b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial instruments are disclosed in note 33. See policies above for specific policies for cash at bank and in hand, debtors, creditors, investments and basic loans.

Taxation
As a charitable entity, the Royal Opera House Covent Garden Foundation (Limited by Guarantee) is exempt from corporate taxation, so long as it uses its resources for charitable purposes. There are no recognised deferred tax amounts in the subsidiaries as there are no recognised significant timing differences.

Employee benefits
All employee benefits are recognised as expenses in the period in which they are incurred. Post-employment benefits, representing contributions into defined contribution plans for current staff are equally recognised as expenses in the period in which the contribution payable is exchanged for services rendered by staff. The assets of the scheme are held separately from the charity.
A termination benefit liability is recognised at the earlier of the following dates:

- when the entity can no longer withdraw the offer of those benefits or;
- when the entity recognises costs for the restricting which involves the payment of termination benefits.

Prior period adjustments
A reclassification of the Susan Olde Music Director Fund totalling £1,583k from restricted funds to endowment funds for the opening reserves has been made.

A correction has been made to the prior period restricted income and expenditure in the group statement of financial activities, where £9,595k of both income and expenditure have been reclassified from unrestricted to restricted. All restricted funds receivable were fully expended in the year, there was no impact on the opening reserves of 2022/23.

A further correction has been made to the prior period unrestricted income and expenditure in the group statement of financial activities, to correct a consolidation error of £3,774k which overstated both income and expenditure. There was no impact on the opening reserves of 2022/23.

2. Subsidiary undertakings

Charitable subsidiaries

The charity has one connected charity – the Royal Opera House Endowment Fund 2000. The Royal Opera House Endowment Fund 2000 is treated as a subsidiary for reasons outlined in Note 1.

Royal Opera House Endowment Fund 2000 (the "Endowment Fund") supports the work of the Royal Opera House and other organisations by raising funds to support projects which increase the appreciation and understanding of the musical arts in all forms. It is a separately registered charity, and its board has a majority of Trustees who are independent of the Royal Opera House.

The summary results for the Endowment fund are shown below:

	Endowment Fund	
	Year Ended	Year Ended
	31-Aug-23	31-Aug-22
	£'000	£'000
Income		
Donations, legacies and similar income	**914**	1,798
Investment income	**1,152**	489
Other Income	**6,300**	-
Total income	**8,366**	2,287
Expenditure		
Cost of sales and administrative expenses	**(15)**	(20)
Donations and grants to other group undertakings	**(2,324)**	(6,072)
Investment managers' fees	**(269)**	(275)
Total expenditure	**(2,608)**	(6,367)
Gains / (losses) on revaluation and disposal of investments	**52**	(648)
Net movement in funds	**5,810**	(4,728)

2. Subsidiary undertakings (continued)

The assets and liabilities of the Endowment fund were:

	Endowment Fund	
	31-Aug-23	31-Aug-22
	£'000	£'000
Fixed asset investments	**38,275**	38,426
Current assets	**14,333**	8,619
Current liabilities	**(5)**	(253)
Total net assets	**52,603**	46,792
Total funds	**52,603**	46,792

Except for fixed asset investments which at 31 August 2023 had an historical cost of £35.4m *(31 August 2022: £35.4m)* there is no difference between the carrying values and their historical cost equivalents.

Trading subsidiaries

The charity has two trading subsidiaries – ROH Holdings Limited and Royal Opera House Enterprises Limited.

Royal Opera House Enterprises Limited ("ROHEL") is a wholly owned trading subsidiary, whose principal activities are catering to customers and staff of the Royal Opera House, the sponsorship of Royal Opera House productions, multimedia production and distribution, hire of allocated spaces within the Royal Opera House, the sale of merchandise through the Royal Opera House shop, the sale of advertising through the Royal Opera House programmes and the licensing of the Royal Opera House brands. The charity owns the entire issued share capital. The reporting date of ROHEL is the same as the charity's, which falls on the last Sunday in August each year.

ROH Holdings is a holding company and has one wholly owned subsidiary, ROH Developments Limited, a property development company. The ROH Holdings Group prepares its accounts to 31 August each year. Summary trading results of all trading subsidiaries are shown below:

	ROHEL		ROHHL	
	52 week period ended 27-Aug-23 £'000	52 week period ended 28-Aug-22 £'000	**52 week period ended 31-Aug-23 £'000**	52 week period ended 31-Aug-22 £'000
Turnover	**20,882**	14,341	**5**	5
Cost of Sales	**(14,462)**	(10,202)	**(5)**	(5)
Gross profit	**6,420**	4,139	**-**	**-**
Administration and financial expenses	**(1,494)**	(1,299)	**-**	**-**
Operating profit	**4,926**	2,840	**-**	**-**
Profit before taxation	**4,926**	2,840	**-**	**-**
Net profit for the period	**4,926**	2,840	**-**	**-**
Donations under the gift aid scheme	**(4,926)**	(2,840)	**-**	**-**
Retained result in subsidiary for the period	**-**	-	**-**	**-**

2. Subsidiary undertakings (continued)

The assets and liabilities of each trading subsidiary were:

	ROHEL		ROHHL	
	27-Aug-23	28-Aug-22	**31-Aug-23**	31-Aug-22
	£'000	£'000	**£'000**	£'000
Intangible fixed assets	**-**	-	**320**	320
Current assets	**5,196**	2,713	**17**	10
Current liabilities	**(5,020)**	(2,337)	**(17)**	(10)
Non-current liabilities	**-**	(200)	**-**	**-**
Total net assets	**176**	176	**320**	320
Aggregate share capital and reserves	**176**	176	**320**	320

For 2022/23, total income receivable for Royal Opera House Covent Garden Foundation was £150.7m *(52 week period ended 28 August 2022: £122.0m)*, and results for the year were £11.1m net income after actuarial gains *(52 week period ended 28 August 2022: £15.1m)*.

3. Income from operation of Royal Opera House

	52 week period ended 27-Aug-23 £'000	**52 week period ended 27-Aug-23 £'000**	52 week period ended 28-Aug-22 £'000	52 week period ended 28-Aug-22 £'000
Unrestricted funds:				
Box office receipts:				
The Royal Opera	**30,767**		23,747	
The Royal Ballet	**21,796**		15,882	
		52,563		39,629
Other income:				
Publications	**921**		751	
Other	**5,184**		3,853	
Theatre Tax Credit	**20,603**		6,774	
		26,708		11,378
UK total		**79,271**		51,007
Overseas touring receipts		**1,021**		-
		80,292		51,007

Other income of £5.18m *(52 week period ended 28 August 2022: £3.85m)* represents box office receipts from productions, other than those on the main stage, co-production income and income from production and costume hires, income from audio-visual exploitation, income from learning and participation, income from ice-cream sales and backstage tours and other income from sundry sources. Theatre tax credit of £20.6m *(52 week period ended 28 August 2022: £6.77m)* includes £2.91m related to the prior year *(52 week period ended 28 August 2022: nil)*.

4. Grants from the UK Government

	52 week period ended 27-Aug-23 £'000	52 week period ended 28-Aug-22 £'000
Restricted funds:		
UK Government – Coronavirus Job Retention Scheme	**-**	18

The UK Government's Coronavirus Job Retention Scheme (CJRS) was announced on 20 March 2020 as one of a number of support schemes for UK employers as a result of the impact of the Covid-19 pandemic. Initially the scheme was to run for three months, backdated to 1 March 2020. The UK Government extended the scheme into 2021 with support varying from 60% of a staff wage up to a maximum of £1,875 per person per month to 80% of a staff wage up to a total of £2,500 per person per month. No national insurance or employer pension contributions were supported. The scheme closed at 30 September 2021.

5. Donations, legacies and similar incoming resources

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 27-Aug-23 £'000**
	£'000	£'000	£'000	
Membership	7,715	-	-	**7,715**
Events	895	-	-	**895**
Donations, gifts and legacies	10,505	14,974	914	**26,393**
	19,115	14,974	914	**35,003**

Restated	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 28-Aug-22 £'000**
	£'000	£'000	£'000	
Membership	7,483	-	-	**7,483**
Events	703	-	-	**703**
Donations, gifts and legacies	11,192	15,917	1,797	**28,609**
	19,378	15,197	1,797	**37,092**

The Royal Opera House Endowment Fund 2000 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.

6. Grants from Arts Council England

	52 week period ended 27-Aug-23 £'000	52 week period ended 28-Aug-22 £'000
Unrestricted funds:		
Arts Council England - grant in aid	**23,553**	24,471
Restricted funds:		
Arts Council England - Bridge funding	**749**	741

Other forms of government assistance, apart from Arts Council England, included grants from the Thurrock Borough Council and other government agencies for learning and participation projects of £0.05m *(52 week period ended 28 August 2022: £0.13m)* included as other income in Note 3.

7. Commercial Trading Income

	52 week period ended 27-Aug-23 £'000	52 week period ended 28-Aug-22 Restated £'000
Unrestricted Funds		
Catering	**12,022**	8,977
Sponsorship	**2,613**	1,872
Sales of audio-visual materials	**248**	323
Cinema broadcast	**2,712**	1,048
Retail	**1,656**	1,108
Promotions and summer season	**546**	341
Venue Hire	**544**	460
Advertising	**190**	156
Property recharges	**285**	500
Licensing	**66**	56
	20,882	14,841

8. Investment income

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 27-Aug-23**
	£'000	£'000	£'000	**£'000**
Dividend and interest income	2,595	388	-	**2,983**
Finance lease interest income	136	-	-	**136**
	2,731	388	-	**3,119**

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 28-Aug-22**
	£'000	£'000	£'000	**£'000**
Dividend and interest income	385	88	-	**473**
Finance lease interest income	270	-	-	**270**
	655	88	-	**743**

Dividend and interest income is earned on funds managed (for the Royal Opera House Endowment Fund 2000) by the investment managers Stonehage Fleming Investment Management Limited, Troy Asset Management Limited and Newton Investment Management Limited, as well as interest received on bank deposits. Finance lease interest income was derived from the leases for the retail units on the site of the Royal Opera House until 28th February when the lease interest was varied and sold to Shaftesbury Capital Plc.

9. Other income

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 27-Aug-23**
	£'000	£'000	£'000	**£'000**
Sale of kiosk income	799	-	-	**799**
Gain on variation of lease	-	-	6,300	**6,300**
	799	-	6,300	**7,099**

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 28-Aug-22**
	£'000	£'000	£'000	**£'000**
Sale of kiosk income	-	-	-	**-**
Gain in variation of lease	-	-	-	**-**
	-	-	-	**-**

9. Other income (continued)

During the year ended 27th August 2023 the Charity recognised a total of £6.3m (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 £12.0m and the book value held under debtors was £5.7m.

10. Expenditure on generating voluntary income

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 27-Aug-23**
	£'000	£'000	£'000	**£'000**
Fundraising staff costs	2,178	-	-	**2,178**
Fundraising overheads	1,590	-	270	**1,860**
Support costs (note 15)	1,433	-	-	**1,433**
	5,201	-	270	**5,471**

Restated	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 28-Aug-22**
	£'000	£'000	£'000	**£'000**
Fundraising staff costs	1,925	-	-	**1,925**
Fundraising overheads	1,182	16	258	**1,456**
Support costs (Note 15)	1,251	-	-	**1,251**
	4,358	16	258	**4,632**

11. Expenditure on commercial activities

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 27-Aug-23**
	£'000	£'000	£'000	**£'000**
Retail costs	824	-	-	**824**
Advertising and licensing costs	57	-	-	**57**
Sponsorship costs	626	-	-	**626**
Cinema broadcast costs	1,554	-	-	**1,554**
Property recharges	285	-	-	**285**
Catering costs	9,695	-	-	**9,695**
Other commercial costs	938	-	-	**938**
	13,979	-	-	**13,979**

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 28-Aug-22**
	£'000	£'000	£'000	**£'000**
Retail costs	565	-	-	**565**
Advertising and licensing costs	27	-	-	**27**
Sponsorship costs	327	-	-	**327**
Cinema broadcast costs	1,021	-	-	**1,021**
Property recharges	500	-	-	**500**
Catering costs	7,518	-	-	**7,518**
Other commercial costs	748	-	-	**748**
	10,706	-	-	**10,706**

12. Expenditure on productions, sales and operations

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 27-Aug-23**
	£'000	£'000	£'000	**£'000**
The Royal Opera	17,575	1,717	798	**20,090**
The Royal Ballet	10,428	1,980	-	**12,408**
Orchestra of the Royal Opera House	10,647	5	-	**10,652**
Royalties and hire fees	1,671	-	-	**1,671**
Production	9,279	5,667	92	**15,038**
Stage and transport	14,176	60	-	**14,237**
Touring expenses	685	-	-	**685**
Other production and sales costs	7,808	722	-	**8,530**
Front of House	1,673	-	-	**1,673**
Marketing and publicity	9,734	-	-	**9,734**
Education, archives & live relays	619	4,416	-	**5,035**
Support costs (note 15)	34,029	1,400	116	**35,545**
Grants (note 13)	10	-	-	**10**
	118,334	15,967	1,006	**135,307**

Restated

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 28-Aug-22**
	£'000	£'000	£'000	**£'000**
The Royal Opera	14,080	2,886	-	**16,966**
The Royal Ballet	9,560	2,031	-	**11,749**
Orchestra of the Royal Opera House	9,650	28	-	**9,678**
Royalties and hire fees	1,036	-	-	**1,036**
Production	5,982	6,158	147	**12,455**
Stage and transport	12,448	-	-	**12,448**
Other production and sales costs	5,490	700	-	**6,270**
Front of House	1,297	-	-	**1,297**
Marketing and publicity	9,395	-	-	**9,395**
Education, archives & live relays	234	3,196	418	**3,848**
Support costs (note 15)	26,594	2,105	3,914	**32,613**
Grants (note 13)	48	-	-	**48**
	96,220	17,104	4,479	**117,803**

The employer cash contribution to the defined benefit pension scheme is included in the expenditure on productions, sales and in operations in the Unrestricted fund in the Statement of Financial Activities (refer to note 31).

13. Grants

	52 week period ended 27-Aug-23 £'000	52 week period ended 28-Aug-22 £'000
Unrestricted funds		
Grant to Royal Ballet School	**10**	48
	10	48

Grants made are in furtherance of the charity's objectives.

14. Governance costs

	52 week period ended 27-Aug-23 £'000	52 week period ended 28-Aug-22 £'000
Unrestricted funds		
External audit (see note 16)	**142**	136
Legal and professional costs	**347**	317
	489	453

15. Allocation of support costs

	Expenditure on production, sales and operations (note 12) 27-Aug-23 £'000	Expenditure on generating voluntary income (note 10) 27-Aug-23 £'000	**Total 52 week period ended 27-Aug-23 £'000**
Management and administration	8,468	341	**8,809**
Premises	16,641	671	**17,312**
Depreciation, amortisation and impairment	9,494	383	**9,877**
External audit	136	6	**142**
Legal and professional costs	334	13	**347**
Interest payable	472	19	**491**
	35,545	1,433	**36,978**

Restated	Expenditure on production, sales and operations (note 12) 28-Aug-22 £'000	Expenditure on generating voluntary income (note 10) 28-Aug-22 £'000	**Total 52 week period ended 28-Aug-22 £'000**
Management and administration	7,009	269	**7,278**
Premises	12,158	466	**12,624**
Depreciation, amortisation and impairment	12,464	478	**12,942**
External audit	131	5	**136**
Legal and professional costs	305	12	**317**
Interest payable	546	21	**567**
	32,613	1,251	**33,864**

Directly attributable support costs are allocated to governance costs where appropriate. The remaining support costs are pro-rated between the key cost driving areas: expenditure on productions, sales and operations and expenditure on raising funds, based on their proportional costs to the overall costs.

16. Total expenditure

Net income / (expenditure) is stated after charging the following:

	52 week period ended 27-Aug-23 £'000	52 week period ended 28-Aug-22 £'000
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	**142**	111
Fees payable to the charitable company's auditor for other services:		
Audit of the charitable company's subsidiaries, pursuant to legislation	**25**	25
Fees payable for tax and advisory services	**63**	-
Depreciation and other amounts written off:		
Tangible fixed assets - owned (note 21)	**8,085**	8,587
Amortisation of intangible fixed assets (note 20)	**1,425**	575
Operating leases - land and buildings	**1**	14
Interest payable	**491**	567

17. Gross transfers between funds

Gross transfers between funds		Unrestricted General Fund £'000	Unrestricted Designated Fund £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 27-Aug-23 £'000**
Depreciation & Amortisation	*17(a)*	77	-	(77)	-	-
Fixed Asset Fund	*17(b)*	2,556	(2,056)	(500)	-	-
Other Designated Funds	*17(c)*	(12,008)	12,008	-	-	-
Endowment	*17(d)*	-	-	29	(29)	-
		(9,375)	9,952	(548)	(29)	**-**

Gross transfers between funds		Unrestricted General Fund £'000	Unrestricted Designated Fund £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 28-Aug-22 £'000**
Depreciation & Amortisation	*17(a)*	251	-	(251)	-	-
Fixed Asset Fund	*17(b)*	7,837	(7,337)	(500)	-	-
Other Designated Funds	*17(c)*	(6,448)	6,448	-	-	-
Endowment	*17(d)*	296	-	-	(296)	-
		1,640	(889)	(751)	-	**-**

(a) Depreciation of £0.1m *(52 week period ended 28 August 2022: £0.3m)* was charged against unrestricted income then matched by a transfer from restricted funds. Restricted funds include those funds that have been granted specifically to finance the capital expenditure on the Bob and Tamar Manoukian Production Workshop and the Bob and Tamar Manoukian Costume Centre.

(b) A net transfer of £2.6m *(52 week period ended 28 August 2022: £7.8m)* was made to the Unrestricted General Fund. There was a transfer from Restricted Funds of £0.5m, representing amounts received for the Open Up project *(52 week period ended 28 August 2022: £0.5m).* There was a transfer of £2.1m from the Unrestricted Fixed Asset Fund to the Unrestricted General Fund, representing a transfer for the net decrease in the charity's tangible fixed assets *(52 week period ended 28 August 2022: £7.3m).*

17. Gross transfers between funds (continued)

(c) A net transfer of £12.0m *(52 week period ended 28 August 2022: £6.4m)* was made to Other Designated Funds. The transfer to Other Designated Funds represents funds for specific future projects.

(d) Transfers of £0.03.m *(52 week period ended 28 August 2022 restated: £0.3m transfer from Endowment Funds to Unrestricted Funds)* were made to Restricted Funds from Endowment Funds to ensure carried forward balances are accurate.

18. Staff numbers and costs

The number of permanent staff employed by the group during the period was as follows:

	Number of staff	
	52 week period ended 27-Aug-23	52 week period ended 28-Aug-22
Production	**400**	364
Orchestra	**101**	101
Royal Ballet	**159**	153
Royal Opera	**103**	105
Sales and marketing	**111**	101
Management and administration	**118**	115
Fundraising	**57**	52
Education and collections	**46**	57
Premises	**6**	3
Shop	**28**	13
	1,129	1,064

The number of staff employed on a full-time equivalent basis equates to 1,055 *(for 52 week period ended 28 August 2022: 978).*

The aggregate payroll costs of these persons were as follows:

	52 week period ended 27-Aug-23 £'000	52 week period ended 28-Aug-22 £'000
Payroll Costs		
Wages and salaries	**49,177**	41,893
Social security costs	**5,561**	5,468
Other pension costs, of which:	**3,896**	4,302
-contributions to defined contribution pension schemes	*2,662*	*2,521*
-operating costs of defined benefit pension scheme	*1,234*	*1,781*
Non-PAYE payroll costs	**3,497**	3,491
	62,131	55,154

The average salary cost per full-time equivalent staff member (£46,614), excluding termination costs, has increased compared to prior period (£42,835). This average increase per staff member of 8.82% is driven by our annual pay award (on average, 4%), further pay increases from London Living Wage and an additional non-consolidated lump-sum payment to staff.

Included in the wages and salaries are termination and redundancy payments of £415,134 *(for 52 week period ended 28 August 2022: £412,431)* that left employment up to 27 August 2023. All termination and redundancy costs are included in total payroll costs of £62.6m, as above.

18. Staff numbers and costs (continued)

The emoluments of all staff, including staff whose emoluments exceeded £60,000 for the period, fell within the following bands:

			Number of staff 52 week period ended 27-Aug-23			Number of staff 52 week period ended 28-Aug-22		
			Performers	Artistic and General Management	**Total**	Performers	Artistic and General Management	**Total**
	up to	£59,999	176	792	**968**	187	740	**927**
£60,000	-	£69,999	44	26	**70**	36	22	**58**
£70,000	-	£79,999	30	14	**44**	22	12	**34**
£80,000	-	£89,999	5	4	**9**	10	3	**13**
£90,000	-	£99,999	6	4	**10**	5	5	**10**
£100,000	-	£109,999	2	1	**3**	-	2	**2**
£110,000	-	£119,999	1	3	**4**	1	1	**2**
£120,000	-	£129,999	2	1	**3**	1	-	**1**
£130,000	-	£139,999	1	1	**2**	3	2	**5**
£140,000	-	£149,999	3	1	**4**	2	1	**3**
£150,000	-	£159,999	1	2	**3**	-	2	**2**
£160,000	-	£169,999	-	1	**1**	-	2	**2**
£170,000	-	£179,999	-	2	**2**	1	1	**2**
£180,000	-	£189,999	1	1	**2**	-	1	**1**
£190,000	-	£199,999	-	1	**1**	-	-	**-**
£200,000	-	£249,999	-	1	**1**	-	1	**1**
£250,000	-	£299,999	-	1	**1**	-	-	**-**
£550,000	-	£559,999	-	-	**-**	-	1	**1**
£800,000	-	£849,999	-	1	**1**	-	-	-
			272	857	**1,129**	268	796	**1,064**

Emoluments comprise wages and salaries together with benefits in kind.

For staff in bandings from £60,000 and above, contributions of £827,662 *(for 52 week period ended 28 August 2022: £685,612)* were made during the period to defined contribution pension schemes.

Retirement benefits were accruing to 160 *(28 August 2022: restated 134)* of the above staff under defined contribution pension schemes, and to nil *(28 August 2022: nil)* under a defined benefit pension scheme.

18. Staff numbers and costs (continued)

Emoluments for the key management personnel are as follows:

	Salary (£)	Fees (£)	Total Emoluments (£)	Pension (£)	National Insurance (£)	Total (£)
						52 week period ended 27-Aug-23
Sir Antonio Pappano, Music Director	125,042	690,197	**815,239**	10,000	113,811	**939,050**
Alexander Beard, CBE, Chief Executive	299,924	-	**299,924**	3,113	40,700	**343,737**
Kevin O'Hare, Director, The Royal Ballet	213,073	-	**213,073**	20,749	28,352	**262,174**
Oliver Mears, Director of Opera	182,880	16,100	**198,980**	7,315	26,547	**232,842**
	820,919	**706,297**	**1,527,216**	**41,177**	**209,410**	**1,777,803**

	Salary (£)	Fees (£)	Total Emoluments (£)	Pension (£)	National Insurance (£)	Total (£)
						52 week period ended 28-Aug-22
Sir Antonio Pappano, Music Director	118,997	446,250	**565,247**	10,833	81,093	**657,173**
Alexander Beard, CBE, Chief Executive	238,645	-	**238,645**	-	32,995	**271,640**
Kevin O'Hare, Director, The Royal Ballet	184,265	-	**184,265**	18,427	25,614	**228,306**
Oliver Mears, Director of Opera	172,602	-	**172,602**	6,554	23,414	**202,570**
	714,509	**446,250**	**1,160,759**	**35,814**	**163,116**	**1,359,689**

Emoluments for Sir Antonio Pappano and Oliver Mears comprise a salary and separately contracted fees for conducting and directing, respectively, and any other payments for exploitation. The total level of fees varies season to season depending on the number of Royal Opera House engagements undertaken, and for Sir Antonio Pappano, his conducting fee did not increase in the period. Even before the terms of the cultural recovery fund loan which required senior staff earning more than £150k to reduce their salary by 10%, Alex Beard had voluntarily taken a cut of 25% of salary. That full reduction remained in place for over two years from 2020 until 2022 before the Board of Trustees began a process over time of redressing the cut. It remains 8% below the level it would have been had his pre-Covid salary been subject to the subsequently negotiated cost of living increases for all other staff, and is a 20% real terms cut when compared to the CPI over this period.

Key management personnel are reflected in the table above. Their compensation for the 52 week period ended 27 August 2023 included emoluments of £1.5m *(52 week period ended 28 August 2022: £1.2m)* which together with pension costs of £41,177 *(52 week period ended 28 August 2022: £35,814)* and employer contributions to national insurance of £209,410 *(52 week period ended 28 August 2022: £163,116)* came to £1.8m *(52 week period ended 28 August 2022: £1.4m).* Key management personnel also include Trustees who receive no compensation as detailed in note 29. Key management personnel do not include all of the Executive Team as listed in the Trustees' report.

19. Net Gains on investments and on revaluation of heritage assets

Endowment Funds	52 week period ended 27-Aug-23 £'000	52 week period ended 28-Aug-22 £'000
Realised gains on disposal of investments	**18**	35
Unrealised gains / (loss) on revaluation of investments	**34**	(683)
Gain / (loss) on investment assets	**52**	(648)

Unrestricted Funds	52 week period ended 27-Aug-23 £'000	52 week period ended 28-Aug-22 £'000
Unrealised gains / (loss) on revaluation of heritage assets	**-**	-
Gains / (Loss) on heritage assets	**-**	-

20. Intangible fixed assets

Group and Charity	Investment in Programming £'000	Computer Software £'000	Total £'000
Cost			
At beginning of period	17,120	7,135	24,255
Additions	484	976	1,460
Disposals	(17,604)	-	(17,604)
At end of period	-	8,111	8,111
Amortisation			
At beginning of period	17,077	5,686	22,763
Amortisation for period	527	898	1,425
Disposals	(17,604)	-	(17,604)
At end of period	-	6,584	6,584
Net book value			
At 27 August 2023	**-**	**1,527**	**1,527**
At 28 August 2022	43	1,449	1,492

21. Tangible fixed assets

Group	Freehold premises	Assets in the course of construction	Equipment & vehicles	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**
At beginning of period	210,034	1,861	92,974	304,869
Additions	859	2,874	2,023	5,756
Transfers	-	(1,859)	1,859	**-**
Disposals	(1,348)	**-**	(1,206)	(2,554)
At end of period	209,545	2,876	95,650	308,071
Depreciation and diminution in value				
At beginning of period	63,398	-	60,723	124,121
Charge for period	4,338	-	3,747	8,085
Disposals	(546)	-	(1,142)	(1,688)
At end of period	67,190	**-**	63,328	130,518
Net book value				
At 27 August 2023	**142,355**	**2,876**	**32,322**	**177,553**
At 28 August 2022	146,636	1,861	32,251	180,748

Charity	Freehold premises	Assets in the course of construction	Equipment & vehicles	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**
At beginning of period	210,034	1,861	92,952	304,847
Additions	859	2,874	2,022	5,755
Transfers	-	(1,859)	1,859	**-**
Disposals	(1,348)	**-**	(1,206)	(2,554)
At end of period	209,545	2,876	95,627	308,048
Depreciation and diminution in value				
At beginning of period	63,398	**-**	60,701	124,099
Charge for period	4,338	**-**	3,747	8,085
Disposals	(546)	**-**	(1,142)	(1,688)
At end of period	67,190	**-**	63,306	130,496
Net book value				
At 27 August 2023	**142,355**	**2,876**	**32,321**	**177,552**
At 28 August 2022	146,636	1,861	32,251	180,748

Assets in the course of construction represents projects in progress and equipment received but not placed in service before the period end (£2.9m).

In 2013, a fixed and floating charge lasting 30 years was provided as security for the potential repayment obligations under a grant of £10m from Arts Council England for capital projects.

21. Tangible fixed assets (continued)

In October 2014, a first deed of mortgage over the Bob and Tamar Manoukian Costume Centre and by way of first fixed charge, all its present and future plant and machinery on or serving the Property (apart from the mortgage charge) and the rents *(if any)* was provided as security for a loan of £1.5m from the Thurrock Borough Council. The current balance of the loan is £1.23m. The net book value of the Bob and Tamar Manoukian Costume Centre at 27 August 2023 was £4.0m *(28 August 2022: £4.1m).*

As part of the actuarial valuation of the pension scheme (see note 31), the Trustees secured a charge on the Royal Opera House's main self-occupied property to help cover the cost of transferring the Scheme's liabilities to an insurance company *(up to the amount of £64.4m)* if the Royal Opera House became insolvent.

22. Investments

(a) Group: The following investments were held through the Royal Opera House Endowment Fund 2000 at period end:

	Group 27 August 2023 £'000	Group 28 August 2022 £'000
Held with investment managers:		
- Venture funds	**129**	217
- Quoted equities	**12,642**	18,026
- Hedge funds	**5**	5
- Bonds	**12,309**	9,027
- Cash funds	**9,567**	7,516
- Gold	**3,623**	3,635
Total investment with Investment Managers	**38,275**	38,426

22. Investments (continued)

Movements in investments held with investment managers:

	Listed Investments £'000	Other investments £'000	Total 27 August 2023 £'000
Endowment Funds			
Fair value at beginning of period	37,957	469	**38,426**
Additions (at cost)	1	-	**1**
Disposals	-	(205)	**(205)**
Net realised and unrealised losses	105	(52)	**53**
Fair value at end of the period	38,063	212	**38,275**
Historical cost at end of the period	34,676	761	35,437

	Listed investments £'000	Other investments £'000	Total 28 August 2022 £'000 Total
Endowment Funds			
Fair value at beginning of period	38,466	609	**39,075**
Additions (at cost)	-	-	**-**
Disposals	-	-	**-**
Net realised and unrealised gains	(509)	(140)	**(649)**
Fair value at end of the period	37,957	469	**38,426**
Historical cost at end of the period	34,676	761	35,437

As at 31 August 2023 investments held with investment managers are measured at fair value, £38.1m (2022: £37.9m) categorised as Level 1 and £0.1m (2022: £0.5m) as Level 3.

(b) Charity: The following were the subsidiary undertakings of Royal Opera House Covent Garden Foundation as at 27 August 2023:

	Country of incorporation	Principal activity	Percentage of shares held
Subsidiary undertaking			
ROH Holdings Limited	UK	Holding company	100%
ROH Developments Limited	UK	Property development	100%
ROH Pension Trustee Limited	UK	Trustee company	100%
ROH Productions Limited	UK	Theatre productions	100%
Royal Opera House Enterprises Limited	UK	Catering / Sponsorship / Multimedia production and distribution/ Retail / Venue Hire / Licensing of brand	100%

The issued share capital in ROH Holdings Limited (which is the holding company for ROH Developments Limited) is 2 £1 shares.

ROH Pension Trustee Limited is a non-trading subsidiary. The issued share capital is 100 £1 shares.

ROH Productions Limited has been dormant since incorporation.

The issued share capital in Royal Opera House Enterprises Limited is 125,987 £1 shares *(125,987 £1 shares at 28 August 2022).* The remaining balance is related to the original acquisition of Royal Opera House Enterprises Limited.

The Royal Opera House Endowment Fund 2000 is a connected charity of the Royal Opera House Covent Garden Foundation. See Note 2 for further details.

22. Investments (continued)

Investment in Royal Opera House Enterprises Limited:

Unrestricted Funds	Charity 27 August 2023 £'000	Charity 28 August 2022 £'000
Cost		
At beginning and end of period	**6,676**	**6,676**
Net book value		
At beginning of period	**6,676**	**6,676**
At end of period	6,676	6,676

23. Heritage assets

(a) Tangible fixed assets – heritage assets

Unrestricted Funds Group and Charity *Cost or valuation*	Fine art £'000	Costumes & accessories £'000	Other collections £'000	Total 27 August 2023 £'000
At beginning of period	3,030	1,477	1,515	6,022
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	-	-	-
At end of period	**3,030**	**1,477**	**1,515**	**6,022**
At beginning of period	3,030	1,477	1,515	6,022

The external valuers for the Royal Opera House, Mark Peters, Senior General Valuer and David Vyvyan-Robinson, Picture Valuer of Gurr Johns, valued the entirety of the fine art collection in August 2021, on the basis of retail replacement values (RRV). RRV represents the value used for insurance, based on replacement in the retail market, or where appropriate in the second-hand retail market with items of a similar nature, age, condition and quality. The next valuation is expected to be completed in 2024.

Costumes and accessories and other collections have internal valuations. Where the valuation is internal, it has been provided by Julia Creed, Head of Collections. Julia Creed has a Master's degree in Archives and Records Management and has worked as an archivist at the Royal Opera House since 2004; since April 2015 she has been Head of Collections. Costumes and accessories and other collections were last valued between August 2015 and August 2017. These collections are not valued more regularly due to the time and cost involved in the valuation process.

23. Heritage assets (continued)

(b) Five year financial summary of heritage asset transactions:

Unrestricted Funds	27 August 2023 £'000	28 August 2022 £'000	29 August 2021 £'000	30 August 2020 £'000	25 August 2019 £'000
Purchases/Commissions					
Fine art	**-**	**-**	**-**	-	-
Costumes & accessories	**-**	**-**	**-**	-	-
Other collections	**-**	**-**	**-**	-	12
Donations					
Fine art	**-**	-	-	-	-
Costumes & accessories	**-**	-	-	-	-
Other collections	**-**	262	88	-	-
Disposals					
Fine art	**-**	-	(11,275)	-	-
Costumes & accessories	**-**	-	-	-	-
Other collections	**-**	-	-	-	-
Proceeds from disposals					
Fine art	**-**	-	11,275	-	-
Costumes & accessories	**-**	-	-	-	-
Other collections	**-**	**-**	**-**	-	-
Total additions	**-**	**262**	**88**	**-**	**12**

(c) Further information on Heritage Assets:

The Royal Opera House maintains three collections as follows:

The fine art collection consists of paintings, other pictures and drawings, furniture, furnishings, sculpture and pottery that have been donated and are on public display throughout the Royal Opera House.

The costumes and accessories collection consists of over 4,000 individual items worn by artists at the Royal Opera House. The collection contains some items from the late 19th and early 20th centuries, but most date from 1946 to the present. The majority of the collection is costumes, with a sizeable number of hats, headdresses and jewellery, and a growing number of shoes, boots and wigs.

Other collections include photographic collections, design collections, a portrait of Pavarotti and an autographed Donizetti score for *Elisabetta,* none of which are on permanent public display.

All assets are maintained and managed through the heritage asset register which is overseen by the Head of Collections.

Most new acquisitions are made through donation. A limited number of acquisitions are purchased where assets enhance the overall collections maintained by the charity. The Royal Opera House would not normally dispose of any heritage assets in their normal course of business.

The preservation of assets is the responsibility of the Head of Collections who holds an annual budget to maintain the quality of the assets.

The Charity exhibits assets throughout the Opera House and through exhibitions. In addition, many assets may be viewed electronically through the catalogue website at www.rohcollections.org.uk.

24. Stocks

	Group 27 August 2023 £'000	Group 28 August 2022 £'000	**Charity 27 August 2023 £'000**	Charity 28 August 2022 £'000
Goods for resale	**324**	254	**-**	**-**
	324	254	**-**	-

During the 52-week period ended 27 August 2023 £742,670 *(52 week period ended 28 August 2022: £539,309)* of stock was expensed through the Statement of Financial Activities.

25. Debtors

	Group 27 August 2023 £'000	Group 28 August 2022 £'000	**Charity 27 August 2023 £'000**	Charity 28 August 2022 £'000
Amounts due after more than one year				
Finance lease debtor	**-**	5,430	**-**	-
Amounts due from subsidiary and associated undertakings	**-**	-	**-**	200
Prepayments	**717**	1,105	**-**	-
	717	6,535	**-**	200

	Group 27 August 2023 £'000	Group 28 August 2022 £'000	**Charity 27 August 2023 £'000**	Charity 28 August 2022 £'000
Amounts due within one year				
Trade debtors	**4,763**	3,493	**1,862**	2,554
Amounts due from subsidiary and associated undertakings	**-**	-	**2,903**	906
Accrued income	**22,086**	13,805	**21,588**	13,599
Other debtors	**1,703**	345	**1,703**	345
Prepayments	**2,118**	1,829	**1,626**	1,553
Finance lease debtor	**-**	270	**84**	84
	30,670	20,337	**29,766**	19,636

Amounts due from subsidiary and associated undertakings after more than one year in the Charity represent a loan from Royal Opera House Covent Garden Foundation to Royal Opera House Enterprises Limited, with interest charged at a rate of 2% above the Bank of England base rate.

The expected repayments on the loan are as follows:

	Capital	Interest	**Total 52 Week Period Ended 27-Aug-23**
	£'000	**£'000**	**£'000**
Due within one year	200	6	**206**
Due between one year and two years	-	-	**-**
Due between two years and five years	-	-	**-**
	200	**6**	**206**

25. Debtors (continued)

The finance lease debtor represents a 5% income interest in the leases for the retail units on the site of the Royal Opera House. The lease was varied on 28th February 2023 and sold to Shaftesbury Capital Plc.

Reconciliation between gross investment in a lease and the present value of minimum lease payments receivable is as follows:

	Group 27 August 2023 £'000	Group 28 August 2022 £'000
Gross investment in a finance lease at the end of the period	-	59,243
Unearned finance income for the period	-	(53,543)
Present value of minimum lease payments at the end of the period	-	5,700

There are no unguaranteed residual values accruing to the lessor and no accumulated allowance for uncollectible minimum lease payments. There were no contingent rents for the period *(52 week period ended 28 August 2022: nil).*

The 5% interest in the leases of the retail units was varied under a dead of variation to Shaftesbury Capital Plc for £12m, following a report by Gerald Eve. The sale completed on 28 February 2023.

26. Creditors

Amounts falling due within one year

	Group 27 August 2023 £'000	Group 28 August 2022 £'000	**Charity 27 August 2023 £'000**	Charity 28 August 2022 £'000
Trade creditors	**4,811**	4,850	**4,507**	4,597
Taxation and social security	**5,629**	6,143	**5,244**	6,143
Accruals	**11,896**	12,791	**11,106**	11,957
Deferred income	**24,478**	21,906	**23,687**	21,056
	46,814	45,690	**44,544**	43,753

	Group 27 August 2023 £'000	Group 28 August 2022 £'000	**Charity 27 August 2023 £'000**	Charity 28 August 2022 £'000
Deferred income at start of period	**21,906**	17,290	**21,056**	17,073
Box office receipts, subscription and donations received	**73,879**	53,396	**68,115**	50,071
Released to statement of financial activities	**(71,307)**	(48,780)	**(65,484)**	(46,088)
Deferred income at end of period	**24,478**	21,906	**23,687**	21,056
Comprising:				
Advanced bookings	**11,111**	10,791	**11,111**	10,791
Subscriptions and donations	**7,590**	5,783	**7,590**	5,783
Other deferred income	**5,777**	5,332	**4,986**	4,482

26. Creditors (continued) Amounts falling due after one year

Thurrock Borough Council Loan

	52 Week Period Ended 27-Aug-23 £'000	52 Week Period Ended 28-Aug-22 £'000
Balance at the beginning of the year	**1,280**	1,323
Amounts repaid	**(102)**	(102)
Interest payable	**57**	59
Balance at the end of the year	**1,235**	1,280
Less amounts disclosed in creditors: amounts falling due within one year	**-**	**-**
Balance at the end of the year falling due after one year	**1,235**	1,280

The table below shows the amounts and timings of repayments due under the terms of the loan.

	Capital	Interest	**Total 27 August 2023**	Capital	Interest	**Total 28 August 2022**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Due within one year	49	53	**102**	47	55	**102**
Due between one year and two years	51	51	**102**	48	54	**102**
Due between two years and five years	168	139	**307**	161	146	**307**
Due after five years	961	269	**1,230**	1,024	313	**1,337**
	1,229	512	**1,741**	1,280	568	**1,848**

In October 2014, a first deed of mortgage over the Bob and Tamar Manoukian Costume Centre and by way of first fixed charge, all its present and future plant and machinery on or serving the Property (apart from the mortgage charge) and the rents *(if any)* was provided as security for a loan of £1.5m from the Thurrock Borough Council. The current balance of the loan is £1.23m. The net book value of the Bob and Tamar Manoukian Costume Centre at 27 August 2023 was £4.0m *(28 August 2022: £4.1m)*.

26. Creditors (continued) Amounts falling due after one year

Cultural Recovery Fund Loan

	52 Week Period Ended 27-Aug-23 £'000	52 Week Period Ended 28-Aug-22 £'000
Balance at the beginning of the year	**21,700**	21,700
Amounts drawn down	**-**	-
Amounts repaid	**-**	-
Interest payable	**-**	-
Balance at the end of the year	**21,700**	21,700
Less amounts disclosed in creditors: amounts falling due within one year	**-**	**-**
Balance at the end of the year falling due after one year	**21,700**	21,700

	Capital	Interest	**Total 27 August 2023**	Capital	Interest	**Total 28 August 2022**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Due within one year	-	-	**-**	-	-	**-**
Due between one year and two years	-	829	**829**	-	-	**-**
Due between two years and five years	2,809	2,162	**4,971**	1,552	2,591	**4,143**
Due after five years	18,891	2,654	**21,545**	20,148	3,054	**23,202**
	21,700	5,645	**27,345**	21,700	5,645	**27,345**

In support of arts organisations affected by the Covid-19 pandemic, the government established a Cultural Recovery Fund (CRF) offering grants to smaller organisations and loans to larger organisations. In March 2021, the ROH received a loan from the CRF of £21.7m. The loan is interest bearing, at a rate of 2%, over a 20 year period and has a four year repayment holiday.

26. Creditors (continued) Amounts falling due after one year

Finance Leases

	52 Week Period Ended 27-Aug-23 £'000	52 Week Period Ended 28-Aug-22 £'000
Balance at the beginning of the year	**12**	-
Amounts drawn down	**149**	18
Amounts repaid	**(6)**	(6)
Interest payable	**1**	-
Balance at the end of the year	**156**	12
Less amounts disclosed in creditors: amounts falling due within one year	**-**	**-**
Balance at the end of the year falling due after one year	**156**	12

	Capital	Interest	**Total 27 August 2023**	Capital	Interest	**Total 28 August 2022**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Due within one year	19	12	**31**	**3**	-	**3**
Due between one year and two years	21	10	**31**	3	-	**3**
Due between two years and five years	67	21	**88**	6	1	**7**
Due after five years	49	4	**53**	-	-	**-**
	156	47	**203**	12	1	**13**

27. Statement of Funds – Group

	At 28 August 2022 as previously stated	Restatement	At 28 August 2022 as restated	Incoming Resources	Outgoing Resources	Other gains/ (losses)	Transfers	At 27 August 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted General fund	4,157	-	4,157	147,372	(137,954)	-	(9,375)	4,200
Unrestricted Revaluation fund	389	-	389	-	-	-	-	389
Unrestricted Designated funds:								
Unrestricted Fixed Asset Fund	172,552	-	172,552	-	-	-	(2,056)	170,496
Unrestricted Heritage Asset Fund	5,633	-	5,633	-	-	-	-	5,633
Unrestricted Future Projects Fund	30,165	-	30,165	-	-	-	12,008	42,173
Unrestricted Funds before pension reserve	**212,896**	-	**212,896**	**147,372**	**(137,954)**	**-**	**577**	**222,891**
Unrestricted: pension scheme liability	**(14,178)**	-	**(14,178)**	**-**	**440**	**934**	**-**	**(12,804)**
Total unrestricted funds	**198,718**	-	**198,718**	**147,372**	**(137,514)**	**934**	**577**	**210,087**
Restricted funds:								
Thurrock Capital Fund	8,707	-	8,707	-	-	-	(77)	8,630
Production Fund	-	-	-	5,573	(5,573)	-	-	-
Open Up Project Fund	-	-	-	500	-	-	(500)	-
Arts Council England Bridge programme fund	387	-	387	749	(864)	-	-	272
Arts Council England China skills exchange	164	-	164	-	(16)	-	-	148
ROH Holdings Limited	105	-	105	-	-	-	-	105
Endowment Restricted Income Fund	1,776	(1,582)	194	388	(611)	-	29	-
Learning and Participation	-	-	-	3,241	(3,241)	-	-	-
Other Projects	83	-	83	5,660	(5,662)	-	-	81
Total restricted funds	**11,222**	(1,582)	**9,640**	**16,111**	**(15,967)**	-	**(548)**	**9,236**
Endowment funds	**44,805**	1,582	**46,387**	**7,214**	**(1,276)**	**52**	**(29)**	**52,348**
Total funds	**254,745**	-	**254,745**	**170,697**	**(154,757)**	**986**	**-**	**271,671**

Unrestricted Funds: Unrestricted funds are segregated between general funds (representing free reserves and unrestricted general funds held in trading subsidiaries) and designated funds. The three designated funds at period end were the Fixed Asset Fund which is set at a level equivalent to the charity's fixed assets and intangible fixed assets (plus approved capital expenditure in the 2022/23 Season carried over to the 2023/24 Season), the Heritage Asset Fund which is equivalent to the charity's heritage assets and the Designated Future Projects Fund. The Designated Future Projects Fund represents funds earmarked for specific future projects. The pension scheme liability is disclosed in accordance with FRS 102.

27. Statement of Funds – Group (continued)

Restricted Funds: The Thurrock Capital Fund has been established to hold funding received in the development of both the Bob and Tamar Manoukian Production Workshop and the Bob and Tamar Manoukian Costume Centre in Thurrock. The Production Fund represents donations received which are restricted for the purpose of specific productions. The Open Up Project Fund has been established to hold funding received towards the Open Up Project, a capital project intended to enhance audiences' experience of our work and inspire wider interest and engagement. The Bridge Programme Fund represents funding received from Arts Council England for improving the delivery of arts opportunities for children and young people, acting as a bridge between the arts and education sectors in Thurrock, Essex, Southend, Hertfordshire, Bedfordshire, Luton and North Kent. The Endowment Restricted Income Fund represents funds expendable on specific purposes as required by donors. The Learning and Participation Fund represents donations received which are restricted for the purpose of Learning, Participation and Education projects. The Other Projects Fund represents other restricted donations received.

Endowment Funds: The balance above represents restricted permanent and expendable capital reserves held by ROH Endowment Fund 2000.

27. Statement of Funds - Charity

	At 28 August 2022	Incoming Resources	Outgoing Resources	Other gains/ (losses)	Transfers	At 27 August 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted General fund	4,671	132,629	(123,254)	-	(9,375)	4,671
Unrestricted Revaluation fund	389	-	-	-	-	389
Unrestricted Designated funds:						
Unrestricted Fixed Asset Fund	178,332	-	-	-	(2,056)	176,276
Unrestricted Heritage Asset Fund	5,633	-	-	-	-	5,633
Unrestricted Future Projects Fund	30,165	-	-	-	12,008	42,173
Unrestricted Funds before pension reserve	**219,190**	**132,629**	**(123,254)**	**-**	**577**	**229,142**
Unrestricted: pension scheme liability	**(14,178)**	**-**	**440**	**934**	**-**	**(12,804)**
Total unrestricted funds	**205,012**	**132,629**	**(122,814)**	**934**	**577**	**216,338**
Restricted funds:						
Thurrock Capital Fund	8,700	-	-	-	(77)	8,623
Production Fund	-	6,254	(6,254)	-	-	-
Open Up Project Fund	-	500	-	-	(500)	-
Arts Council England Bridge programme fund	387	704	(864)	-	-	227
Arts Council England China skills exchange	164	-	(16)	-	-	148
Learning and Participation	-	3,821	(3,821)	-	-	-
Other Projects	84	6,723	(6,725)		-	82
Total restricted funds	**9,335**	**18,047**	**(17,680)**	-	**(577)**	**9,125**
Total funds	**214,347**	**150,676**	**(140,494)**	**934**	**-**	**225,463**

28. Share capital

The charity is limited by guarantee and therefore has no share capital. The liability of the members of the charity is limited to £1 each. At 27 August 2023 there were 16 members *(28 August 2022: 16).*

29. Connected charities and other related party transactions

Connected charities

Royal Opera House Endowment Fund 2000 - registered charity No 1089928

During the period the charity received grants of £2.3m *(52 week period ended 28 August 2022: £6.1m)* from Royal Opera House Endowment Fund 2000 in furtherance of its charitable objectives. At 27 August 2023, the charity owed £0.01m to the Royal Opera House Endowment Fund 2000 *(28 August 2022: £0.02m).*

The above charity is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Trading subsidiaries

Royal Opera House Enterprises Limited

During the period the charity received a loan repayment of £0.2m *(52 week period ended 28 August 2022: £0.2m),* a royalty payment of £1.1m *(52 week period ended 28 August 2022: £0.5m)* and a gift aid payment of £4.9m *(52 week period ended 28 August 2022: £2.8m)* from Royal Opera House Enterprises Limited. Additionally £0.8m of overhead were recharged from the charity to Royal Opera House Enterprises Limited *(52 week period ended 28 August 2022: £0.8m)*. At 27 August 2023, Royal Opera House Enterprises Limited owed £2.9m to the charity *(28 August 2022: £1.1m).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Royal Opera House Holdings Limited

During the period the charity received £5,000 *(52 week period ended 28 August 2022: £5,000)* from Royal Opera House Development Limited in respect of audit fees. At 27 August 2023, Royal Opera House Holdings Limited owed £17,000 to the charity *(28 August 2022: £10,000).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Royal Opera House Developments Limited

During the period the charity received gift aid payments of £5,877 *(52 week period ended 28 August 2022: £147)* from Royal Opera House Development Limited in furtherance of its charitable objectives. At 27 August 2023, Royal Opera House Developments Limited owed £0.1m to the charity *(28 August 2022: £0.1m).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Other related party transactions

No trustee had an interest in any contract or transaction with the charity or its subsidiaries in the period ended 27 August 2023. During the period no trustees received any remuneration from the charity or its subsidiaries and no trustees were reimbursed for personally-incurred expenses which were necessary to carry out trustee duties (2022: nil). The aggregate amount of unrestricted donations received from trustees was £2.8m *(52 week period ended 28 August 2022: £3.3m).* Of this amount, £2.5m *(52 week period ended 28 August 2022: £3.0m)* was received from trustees of the ROH Endowment Fund 2000.The charity undertakes transactions in its normal course of business with its subsidiaries. These transactions are carried out on an arms-length basis.

30. Commitments

(a) The Group has future minimum commitments under non-cancellable operating leases as follows:

	27 August 2023 Land and Buildings £'000	28 August 2022 Land and Buildings £'000
Operating leases payable:		
Not later than one year	**1**	1
Later than one year and not later than five years	**5**	5
Later than five years	**141**	142
	147	148

(b) The group has entered into contracts with guest artists and suppliers in respect of future productions to be staged at the Royal Opera House. Commitments in respect of these contracts which are not reflected in the balance sheet are:

	27 August 2023 £'000	28 August 2022 £'000
Less than one year	**7,689**	5,005
In the second to fifth years inclusive	**3,618**	835
	11,307	5,840

(c) The group had capital commitments of £2.541m for capital projects which were not reflected in the balance sheet in period ended 28 August 2023 *(28 August 2022: £0.266m).*

31. Pension scheme

The Royal Opera House operates a defined benefit pension scheme, the Royal Opera House Pension Scheme. The Scheme's funds are administered by the Trustee and are independent of the ROH's finances. Contributions are paid to the Scheme in accordance with the Schedule of Contributions agreed between the Trustee and the ROH.

The group also contributes to five defined contribution schemes. Two are sponsored by Arts Council England and Equity (for dancers and singers) and one by the Musicians' Union (for musicians). Two further defined contribution scheme arrangements exist for other staff groups. Contributions to these and other schemes amounted to £2.662m *(52 week period ended 28 August 2022: £2.521m).*

The funding plan is for the Scheme to hold assets equal to the value of the benefits earned by staff, based on a set of assumptions used for funding the Scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the Royal Opera House and Trustee agree on deficit contributions to meet this deficit over a period. As a part of the actuarial valuation with an effective date of 5 April 2021 the Trustee and the Royal Opera House have agreed that the Royal Opera House will make contributions to the scheme of £1.343m per annum from 31 July 2022 until 31 January 2037, increasing by 3.5% per annum. The Royal Opera House also makes contributions of £0.3m per annum to cover the expenses of running the Scheme.

The results of the formal actuarial valuation as at 5 April 2021 were updated to the accounting date by an independent qualified actuary in accordance with FRS 102, allowing for contributions, benefit payments made, and changes in market conditions. The results, based on assumptions used for FRS102, are as follows:

The amount included in the balance is as follows:

	27 August 2023	28 August 2022
	£'000	£'000
Fair value of plan assets	**49,506**	61,710
Present value of defined benefit obligation	**(62,310)**	(75,888)
Net liability recognised in the balance sheet	**(12,804)**	(14,178)

The movement in net defined benefit liability is as follows:

	52 week period ended 27-Aug-23	52 week period ended 28-Aug-22
	£'000	£'000
Opening net defined benefit liability	**14,178**	30,118
Cost in income and expenditure	**1,238**	990
Employer contributions	**(1,678)**	(1,734)
Amount recognised outside income and expenditure	**(934)**	(15,196)
Closing net defined benefit liability	**12,804**	14,178

31. Pension scheme (continued)

The amounts recognised in income or expenditure, in the Statement of Financial Activities are as follows:

	52 week period ended 27-Aug-23	52 week period ended 28-Aug-22
	£'000	£'000
Past service cost	**-**	-
Administration expenses	**690**	481
Interest expense	**548**	509
Total expense recognised in income or expenditure	**1,238**	990

Movement in present value of defined benefit obligation is as follows:

	52 week period ended 27-Aug-23	52 week period ended 28-Aug-22
	£'000	£'000
Opening defined benefit obligation	**(75,888)**	(109,846)
Past service cost	**-**	-
Interest on obligation	**(2,974)**	(1,840)
Actuarial gains / (losses)	**13,432**	32,508
Benefits paid	**3,120**	3,290
Closing defined benefit obligation	**(62,310)**	(75,888)

Movement in the fair value of the plan assets is as follows:

	52 week period ended 27-Aug-23	52 week period ended 28-Aug-22
	£'000	£'000
Opening fair value of plan assets	**61,710**	79,728
Interest on plan assets	**2,426**	1,331
Actual return less interest on plan assets	**(12,498)**	(17,312)
Administration expenses	**(690)**	(481)
Contributions by the employer	**1,678**	1,734
Benefits paid	**(3,120)**	(3,290)
Closing fair value of plan assets	**49,506**	61,710

31. Pension scheme (continued)

The current allocation of the Scheme's assets is as follows:

	27 August 2023 Fair value	28 August 2022 Fair value	29 August 2021 Fair value
Asset distribution and expected return	**£'000**	£'000	£'000
Equities	**5,033**	24,664	25,700
Bonds	**14,383**	12,661	14,852
Property	**3,814**	5,506	1,745
Infrastructure	**7,378**	-	-
Diversified Growth Fund	**-**	7,063	15,601
Liability Driven Investment Fund	**15,185**	11,141	21,294
Cash and net current assets	**3,713**	675	536
Total	**49,506**	61,710	79,728

The Scheme does not invest directly in property occupied by the charity or in financial securities issued by the charity.

The following table sets out the significant assumptions used for the plan:

Assumptions	**27 August 2023**	28 August 2022	29 August 2021
Retail Prices Index Inflation	3.30%	3.60%	3.30%
Consumer Prices Index Inflation	2.40%	2.70%	2.50%
Discount rate	5.30%	4.00%	1.70%
Pension increases (according to increases under the scheme rules)	2.5/3.5/3.1/2.1% pa	2.5/3.7/3.4/2.2% pa	2.5/3.5/3.1/2.1% pa
Salary growth	n/a	n/a	n/a
Life expectancy of female / male aged 65 at the accounting date	24.1/21.5 years	24.4/21.8 years	24.4/21.8 years
Life expectancy of female / male aged 65 at 20 years from the accounting date	25.5/22.7 years	25.7/23.0 years	25.9/23.1 years

Future agreed contributions from the employer to be made to fund the deficit of the defined benefit scheme are as follows:

	£'000
Due within one year	967
Due between one year and two years	1,001
Due between two years and five years	3,219
Due after five years	11,786

32. Cash flows

a) Reconciliation of net outgoing resources to net cash inflow from operating activities

	52 Week Period Ended 27-Aug-23 £'000	52 Week Period Ended 28-Aug-22 £'000
Net income / (expenditure) for the reporting period	**15,992**	(4,876)
Net cash (income) on Defined benefit pension scheme	**(440)**	(744)
Investment and finance interest income	**(3,119)**	(743)
Interest paid	**491**	568
(Gains) / losses on investments	**(52)**	648
Donation of heritage asset	**-**	(262)
Impairment of fixed assets	**866**	4,347
Depreciation charge	**8,085**	8,587
Amortisation of intangible fixed assets	**1,425**	575
(Increase) / decrease in productions in preparation	**(255)**	(1,140)
(Increase) / decrease in stock	**(70)**	185
(Increase) / decrease in debtors	**(4,515)**	(4,793)
Increase / (decrease) in creditors	**833**	10,427
Net cash provided by operating activities	**19,241**	12,779

b) Cash outflow from investing activities

	52 Week Period Ended 27-Aug-23 £'000	52 Week Period Ended 28-Aug-22 £'000
Capital expenditure on tangible fixed assets	**(5,756)**	(4,098)
Capital expenditure on intangible fixed assets	**(1,460)**	(173)
Additions of investment at cost	**(1)**	-
Disposals of investments	**205**	-
Finance lease interest and contingent rents received	**136**	270
Interest income received	**2,983**	473
Redemption/(Investment) of Short term Investments: Deposits	**40**	(10,061)
Net cash used in investing activities	**(3,853)**	(13,589)

c) Cash outflow from financing activities

	52 Week Period Ended 27-Aug-23 £'000	52 Week Period Ended 28-Aug-22 £'000
Cash inflow on receipt of borrowings	-	-
Cash outflow on repayment of borrowings	(102)	(102)
Net cash used in financing activities	**(102)**	(102)

32. Cash flows (continued)

d) Reconciliation of cash at bank and on hand per Charity's balance sheet and cash and cash equivalents per Group's cash flow statement

	Unrestricted	Restricted	Endowment	Total 27 August 2023
	£'000	£'000	£'000	£'000
Cash at bank and in hand per Charity's balance sheet	**49,891**	**626**	**-**	**50,517**
Cash at bank and in hand in group undertakings				
ROH Endowment Fund 2000	114	-	13,670	**13,784**
Royal Opera House Enterprises Limited	761	-	**-**	**761**
Royal Opera House Holdings Limited	12	-	**-**	**12**
Royal Opera House Developments Limited	-	376	**-**	**376**
Cash and cash equivalents per Group's cash flow statement	**50,778**	**1,002**	**13,670**	**65,450**

	Unrestricted	Restricted	Endowment	Total 28 August 2022
	£'000	£'000	£'000	£'000
Cash at bank and in hand per Charity's balance sheet	**46,868**	**-**	**-**	**46,868**
Cash at bank and in hand in group undertakings				
ROH Endowment Fund 2000	243	195	2,347	**2,785**
Royal Opera House Enterprises Limited	139	-	**-**	**139**
Royal Opera House Holdings Limited	-	-	**-**	**-**
Royal Opera House Developments Limited	-	371	**-**	**371**
Cash and cash equivalents per Group's cash flow statement	**47,250**	**566**	**2,374**	**50,163**

e) Reconciliation of net debt

	At 28 August 2022 £'000	Cash flows £'000	Other non-cash changes £000	At 27 August 2023 £'000
Cash	50,163	15,287	-	65,450
Loans falling due within one year	-	-	-	-
Loans falling due after more than one year	(22,980)	102	(57)	(22,935)
Finance lease obligations	(15)	6	(147)	(156)
Total net debt	**27,168**	**15,149**	**(204)**	**42,359**

33. Financial Instruments

Carrying amount, income, expense, gains and losses of the Group's Financial Instruments

Group	Carrying Amount	Income earned		Net gains/ (losses)	Carrying Amount	Income earned		Net gains/ (losses)
	Group 27 August 2023	Interest income/ (expense)	Dividend income/ (expense)	including changes in fair value	**Group 28 August 2022**	Interest income/ (expense)	Dividend income/ (expense)	including changes in fair value
	£'000	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000
Measured at fair value through Statement of Financial Activities								
Financial Assets	**38,275**	**-**	**1,016**	**53**	**38,426**	**11**	**219**	**(649)**
Investments	38,275	-	1,016	53	38,426	11	219	(649)
Measured at undiscounted cash receivable/(payable)								
Financial Assets	**104,372**	**1,961**	**-**	**-**	**89,307**	**254**	-	**-**
Trade debtors	8,100	-	-	-	8,103	-	-	-
Accrued income & Other Debtors	813	-	-	-	980	-	-	-
Cash and cash equivalents	65,450	-	-	-	50,163	-	-	-
Short term investments: Deposits	30,020	1,961	-	-	30,061	254	-	-
Financial Liabilities	**(4,553)**	**-**	**-**	**-**	**(4,850)**	**-**	**-**	**-**
Trade creditors	(4,553)	-	-	-	(4,850)	-	-	-
Measured at amortised cost								
Financial Liabilities	**(22,937)**	**(491)**	**-**	**-**	**(22,980)**	**(567)**	**-**	**-**
Government loan	(21,700)	(434)	**-**	**-**	(21,700)	(509)	**-**	**-**
Mortgage loan	(1,235)	(57)	-	-	(1,280)	(58)	-	-

Financial assets carried at fair value (Investments) are measured at the quoted market price in an actively traded market. All investments are managed by reputable investment managers. Of the carrying amount at 27 August 2023 of £38.3m *(28 August 2022: £38.4m),* £18.2m *(28 August 2022: £18.1m)* is invested in markets outside of the UK. The changes to the fair value of those investments are all as a result of market risk (including foreign exchange risk). Immaterial amounts are due to credit risk. An immaterial liquidity risk exists due to the remote risk of not being able to repatriate funds.

33. Financial Instruments (continued)

Carrying amount, income, expense, gains and losses of the Charity's Financial Instruments

Charity	Carrying Amount	Income earned		Net gains/ (losses)	Carrying Amount	Income earned		Net gains/ (losses)
	Charity 27 August 2023	Interest income/ (expense)	Dividend income/ (expense)	including changes in fair value	**Charity 28 August 2022**	Interest income/ (expense)	Dividend income/ (expense)	including changes in fair value
	£'000	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000
Measured at undiscounted cash receivable/(payable)								
Financial Assets	**89,137**	**1,988**	**-**	**-**	**85,773**	**281**	**-**	**-**
Trade debtors	5,379	-	-	-	7,164	-	-	-
Amounts due from subsidiary and associated undertakings	2,934	11	-	-	906	14	-	-
Accrued income & Other Debtors	287	-	-	-	774	-	-	-
Cash and cash equivalents	50,517	-	-	-	46,868	-	-	-
Short term investments: Deposits	30,020	1,977	-	-	30,061	267	-	-
Financial Liabilities	**(4,507)**	**-**	**-**	**-**	**(4,597)**	**-**	**-**	**-**
Trade creditors	(4,507)	-	-	-	(4,597)	-	-	-
Measured at amortised cost								
Financial Assets	**-**	**11**	**-**	**-**	**200**	**28**	**-**	**-**
Amounts due from subsidiary undertaking	-	11	-	-	200	28	-	-
Financial Liabilities	**(22,937)**	**(491)**	**-**	**-**	**(22,980)**	**(567)**	**-**	**-**
Government loan	(21,700)	(434)	-	-	(21,700)	(509)	-	-
Mortgage loan	(1,235)	(57)	-	-	(1,280)	(58)	-	-

The financial asset measured at amortised cost above represents an inter-company loan between Royal Opera House Enterprises Limited (as borrower) and its holding company, Royal Opera House Covent Garden Foundation (Limited by Guarantee), entered into in January 2010. The unsecured loan bears interest at 2% above the Bank of England base rate, which management assess to be a commercial rate of interest. Due to the commercial rate of interest, the present value of the future cash flows approximates the carrying amount and thus the loan presents no current pricing risk. As the interest rate is a variable rate, the lender and borrower are exposed to interest rate risk.

34. Consolidated statement of financial activities *for the 52 week period ended 28 August 2022 (restated)*

	Note	Total Unrestricted Funds	Restricted Funds	Endowment Funds	52 week period ended 28-Aug-22 Total Funds	52 week period ended 29-Aug-21 Total Funds
		£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Charitable activities						
Operation of Royal Opera House (including box office)	3	**51,007**	**-**	**-**	**51,007**	6,619
Grant from Government	4	**-**	**18**	**-**	**18**	10,636
Donations and legacies						
Donations, legacies and similar incoming resources	5	**19,378**	**15,917**	**1,797**	**37,092**	36,746
Grants from Arts Council England	6	**24,471**	**741**	**-**	**25,212**	25,212
Other trading activities						
Commercial trading income	7	**14,841**	**-**	**-**	**14,841**	4,324
Investments	8	**655**	**88**	**-**	**743**	754
Total income and endowments		**110,352**	**16,764**	**1,797**	**128,913**	84,291
Expenditure on:						
Raising Funds						
Generating voluntary income	10	**(4,358)**	**(16)**	**(258)**	**(4,632)**	(3,409)
Commercial activities	11	**(10,706)**	**-**	**-**	**(10,706)**	(2,238)
Charitable activities						
Productions, sales and operations	12	**(96,220)**	**(17,104)**	**(4,479)**	**(117,803)**	(75,314)
Restructuring		**-**	**-**	**-**	**-**	(691)
Total expenditure	16	**(111,284)**	**(17,120)**	**(4,737)**	**(133,141)**	(81,854)
Net (expenditure) / income		**(932)**	**(356)**	**(2,940)**	**(4,228)**	2,437
Net (loss) / gain on investments	19	**-**	**(8)**	**(640)**	**(648)**	4,462
Net (expenditure) / income		**(932)**	**(364)**	**(3,580)**	**(4,876)**	6,899
Transfers between funds	17	**1,047**	**(751)**	**(296)**	**-**	-
Other recognised gains						
Gain on revaluation of heritage assets	19,23	**-**	**-**	**-**	**-**	156
Actuarial gain on the defined benefit pension scheme	31	**15,196**	**-**	**-**	**15,196**	5,316
Net movement in funds		**15,311**	**(1,115)**	**(3,876)**	**10,320**	12,371
Fund balances brought forward at 29 August 2021		**183,407**	**12,337**	**48,681**	**244,425**	232,054
Fund balances carried forward at 28 August 2022 as previsouly stated		**198,718**	**11,222**	**44,805**	**254,745**	244,425
Restatement		**-**	**(1,582)**	**1,582**	**-**	-
Fund balances carried forward at 28 August 2022 restated	27	**198,718**	**9,640**	**46,387**	**254,745**	244,425

35. Taxation

UK corporation tax charge and relief of £950,378 has arisen in Royal Opera House Enterprises Limited in the period in respect of current year profits *(52 week period ended 28 August 2022: tax charge and relief of £539,538).* No deferred tax has arisen in the period *(52 week period ended 28 August 2022: nil).*

THANK YOU

The Royal Opera House gratefully acknowledges the generosity of all those who have provided support this period, including:

INDIVIDUALS

Spindrift Al Swaidi
The Amar-Franses & Foster-Jenkins Trust
Ian and Helen Andrews
The Anson Charitable Trust
Lady Ashcroft
Mr and Mrs Edward Atkin CBE
Richard Baker
Mikhail Bakhtiarov
Mercedes T. Bass
Mr and Mrs Baha Bassatne
BB Energy Holdings NV
Geoff and Judith Batchelar
Helen Beaumont
Dr Bruce Bennett
Georgie Black
Celia Blakey
Mr. Antonio Bonchristiano
Ingemo and Karl Otto Bonnier
Tim Ashley and John Booth
Sally and Simon Borrows
Mrs Jean Brackenbury
Alexandra Perricone
Tim Bunting
Mr Paul Burbidge
John and Susan Burns OBE
Sue Butcher
Mrs Carolyn Calcutt
Max & Nicole Cartellieri
Rosemary and Simon Cock
Ricki Gail and Robert Conway
Kirsty Cooper
Anne-Marie Craven
Mr John Davidson and Mr John Cundill in memory of Mr Gareth Hadley
Peggy Czyzak Dannenbaum
Sir Mick and Lady Barbara Davis
Geoffrey and Caroline de Jager
Sarah Dodd
Mathias Döpfner
Sir Lloyd and Lady Dorfman OBE
Peter and Fiona Espenhahn
Ailsa and Jonathan Feroze
Graham S Fletcher
Louise Fluker
Aline Foriel-Destezet
Sophie and Hamish Forsyth
Louise Baring and Eric Franck
Annie Frankel
David Fransen
Philipp Freise
Francesca Fremantle
Gini and Richard Gabbertas
Malcolm and Rosalind Gammie
Andrea Gawn
Beth Wade Glynn
Sherry and Michael Guthrie
Anthony Gutman
Charles and Kaaren Hale
Sarah and Nigel Hammond
Guy and Julia Hands
Judy Harris
Josh and Layla Harris
Richard Hayden
Roger and Alison Heath
Jane Hemstritch
Katrin and Christoph Henkel
Marlies Hensel
Malcolm Herring
Marina Hobson OBE and The Hobson Charity
Simon and Tracey Holden
Charles Holloway
Paul and Julia Horsnell
Martin and Jane Houston
Alan and Caroline Howard
Clare Jakeman
Lady Joan Jarvis CBE
Christine Jay
Aud Jebsen
Mr and Mrs Christopher W.T. Johnston
Mrs Philip Kan
Ralph and Yolande Kanza
David and Clare Kershaw
Dame Zarine Kharas, DBE
Doug and Ceri King
The Kirsh Foundation
Mr and Mrs Aboudi Kosta
Lord and Lady Laidlaw
Rena and Sandro Lavery
Alan G. Levin
Ida Levine
Dr Gwen Lewis and Dr Jonathan Holliday
Yuanbo Liu
Anne MacKenna
Beth Madison
Bob and Tamar Manoukian
The Margulies Family
David F Marshall
Crevan O'Grady & Jane McClenahan
Kiki McDonough
John McGinn and Cary Davis
Alan McLean
Isabelle Mee
Elizabeth Mellows
Bertrand and Elisabeth Meunier

Amanda and David Milne KC
Anne Mowatt
Dr Patrick Mueller
Chris and Kathleen O'Kane
Mrs Susan A. Olde OBE
Mr Stefan Sten Olsson and Mr John Tierney
Ulf Pagenkopf
Sir Antonio and Lady Pappano
Marian and Gordon Pell
Alexandra Perricone
Hélène and Jean Peters
Nicholas and Suzanne Peters
The Phillips Fund
Cressida Pollock and Daniel Luhde-Thompson
Professor Paul Cartledge and Judith Portrait OBE
Basil and Maria Postan
Mr and Mrs Pozzi
Melinda and Donald Quintin
Julia and Hans Rausing
Paul Ridout
Yvonne and Bjarne Rieber
Sir John Ritblat and Lady Ritblat OBE
Sir Simon and Lady Robertson
Sir Simon and Lady Robey
Mrs Bonnie Robinson
Kristina Rogge
Georgia Rosengarten
Kim Samuel
The Sargent Charitable Trust
Benoît and Catherine Savoret
Louise Sheaves
Peter Simon
Susan and John Singer
The Lady Slynn of Hadley
Christopher and Sarah Smith
Mary Stassinopoulos
Rachael Stearns
Stuart and Jill Steele
Henriette & Manuel Stotz
Malcolm Strong
John Studzinski CBE
Sharon and Van Stults
John Sunderland and George Shishkovsky
Mrs Trevor Swete
Jennifer Taylor MBE
Dame Tina Taylor and The Taylor Family Foundation
Priscilla Tillman
Lindsay and Sarah Tomlinson
Eric Tomsett
Professor Michael Trimble
John G. Turner & Jerry G. Fischer
Stephanie Tyrer
Patrick Waller
Adrienne Waterfield
Derek and Sheila Watson
Anna and Paul White MBE
Nick and Juliet Wilkinson
Peter Harrison and Fiona Willis
Ray Wilson OAM
Amalaswintha Wolfsdorf
Danny and Lillan Wyler
Anonymous (14)

TRUSTS AND FOUNDATIONS

The Amar-Franses & Foster-Jenkins Trust
Cockayne
Essex Youth Trust
Gorvi Foundation
The Jean Sainsbury Royal Opera House Fund
The Joseph Ettedgui Charitable Foundation
The Karin Brass Memorial Fund
The Kiri Te Kanawa Foundation (UK)
Oak Foundation
Orinoco Foundation
Supported by the Paul Hamlyn Education Fund
GRoW @ Annenberg Foundation
The BAND Trust
The Brian Mitchell Charitable Settlement
The Candide Trust
The Clore Duffield Foundation
The Daniel Howard Foundation
The Deborah Loeb Brice Foundation
The Derek Butler Trust
The Foyle Foundation
Frederick Ashton Foundation
The Gatsby Charitable Foundation
The Headley Trust
The Helen Hamlyn Trust
Huo Family Foundation
The JP Jacobs Charitable Trust
The John S Cohen Foundation
The Linbury Trust
The London Community Foundation
The Polonsky Foundation
The Porter Foundation UK
The Radcliffe Trust
Thompson Family Charitable Trust
The Wolfson Foundation
The Woodward Charitable Trust
TIOC Foundation
The John Browne Charitable Trust
The Goldhammer Foundation
Yleana Arce Foundation
The Mohn Westlake Foundation
The Mark Nickerson Charitable Settlement
The Gerald and Gail Ronson Family Foundation
The Constance Travis Charitable Trust

CORPORATE

Air & Grace
AllSaints
American Express Services Europe Ltd
Boodles
Burberry
Cothinkers
Coutts & Co
Cultureshock
De Beers Jewellers
Jones Lang LaSalle
Kenneth and Susan Green
La Prairie
Veuve Clicquot
New Day Ltd
Northern Bloc Ice Cream
NRBY Clothing
Prada Retail UK Ltd
Quintessentially
Rolex
Van Cleef & Arpels

SEASON PATRONS

Mrs Alfiya Askar Abulkhair
Miss Lily Elia
Lady Gavron
Mrs Susan A. Olde OBE
Rolex
Rothschild and Co
Sir Brian Williamson CBE and Mrs Caroline Hoare
Anonymous (4)

FIRST NIGHT PATRONS

DMGT plc
Dr Genevieve and Mr Peter Davies
Sir Mick and Lady Barbara Davis
The Dow Clewer Foundation
Barrie and Jill Haigh
Charles Holloway
Anonymous (2)

AMERICAN FRIENDS OF COVENT GARDEN BOARD

Chairman
Mercedes T. Bass (to June 2023)
John P. McGinn (from June 2023)

Chief Executive
Royal Opera House
Alex Beard CBE

Chairman
Royal Opera House
Sir Lloyd Dorfman CVO CBE

Treasurer
G. Scott Clemons

Susan S. Braddock
Peggy Czyzak Dannenbaum
Misook Doolittle
Lord Eatwell
HRH Princess Firyal of Jordan
Beth W. Glynn
Joan Granlund
Frederick Iseman
Christopher Jones
Bruce Kovner
Alan G. Levin
Beth Madison
Mrs Susan A. Olde OBE
John G. Turner

Legal Counsel
David A Shevlin

Secretary and Executive Director
Milena Sales

BOARD OF HONORARY DIRECTORS

Chair
Sir Lloyd Dorfman CVO CBE

The Countess of Chichester, Honorary Vice Chair
Dame Gail Ronson, Honorary Vice Chair
Danny Wyler, Honorary Vice Chair (appointed 7 July 2023)

Lady Ashcroft
Tim Ashley and John Booth
Mikhail Bakhtiarov
The BAND Trust
Mercedes T. Bass
Boodles - Michael Wainwright
The Deborah Loeb Brice Foundation
Tim and Sarah Bunting
John and Susan Burns OBE
Ricki Gail Conway
Sir Mick and Lady Barbara Davis
Baron and Baroness de Gunzburg
Sir Lloyd and Lady Dorfman OBE
Aline Foriel-Destezet

David Fransen
Alex and Elena Gerko
Kenneth and Susan Green
Sandra and Anthony Gutman
Charles and Kaaren Hale
Lady Hamlyn
Jane Hamlyn
Lady Heywood
Dr Catherine Høgel
Charles Holloway
Alan and Caroline Howard
Huo Family Foundation
Aud Jebsen
Doug and Ceri King
Frances Kirsh
Mrs Alfiya Askar Abulkhair
and Timur Kuanyshev
Rena and Sandro Lavery
Lady Sainsbury of Preston Candover
Dame Tina Taylor
Lindsay and Sarah Tomlinson
Van Cleef & Arpels – Geoffroy
Medinger
Danny and Lillan Wyler
Anonymous (4)

Bob and Tamar Manoukian
Dr Patrick Mueller
Bertrand and Elisabeth Meunier
Dame Marit Mohn
Mrs Susan A. Olde OBE
Stefan Sten Olsson
Jette and Alan Parker
Natalie Parker
Melinda and Donald Quintin
Julia and Hans Rausing
Yvonne and Bjarne Rieber
Sir Simon and Lady Robertson
Sir Simon Robey
Victoria Robey OBE
Rolex – Arnaud Boetsch
The Gerald and Gail Ronson
Family Foundation
Veuve Clicquot – Alexei Rosin

ROYAL OPERA HOUSE COVENT GARDEN FOUNDATION

England & Wales - Charity number 211775

Accounts

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

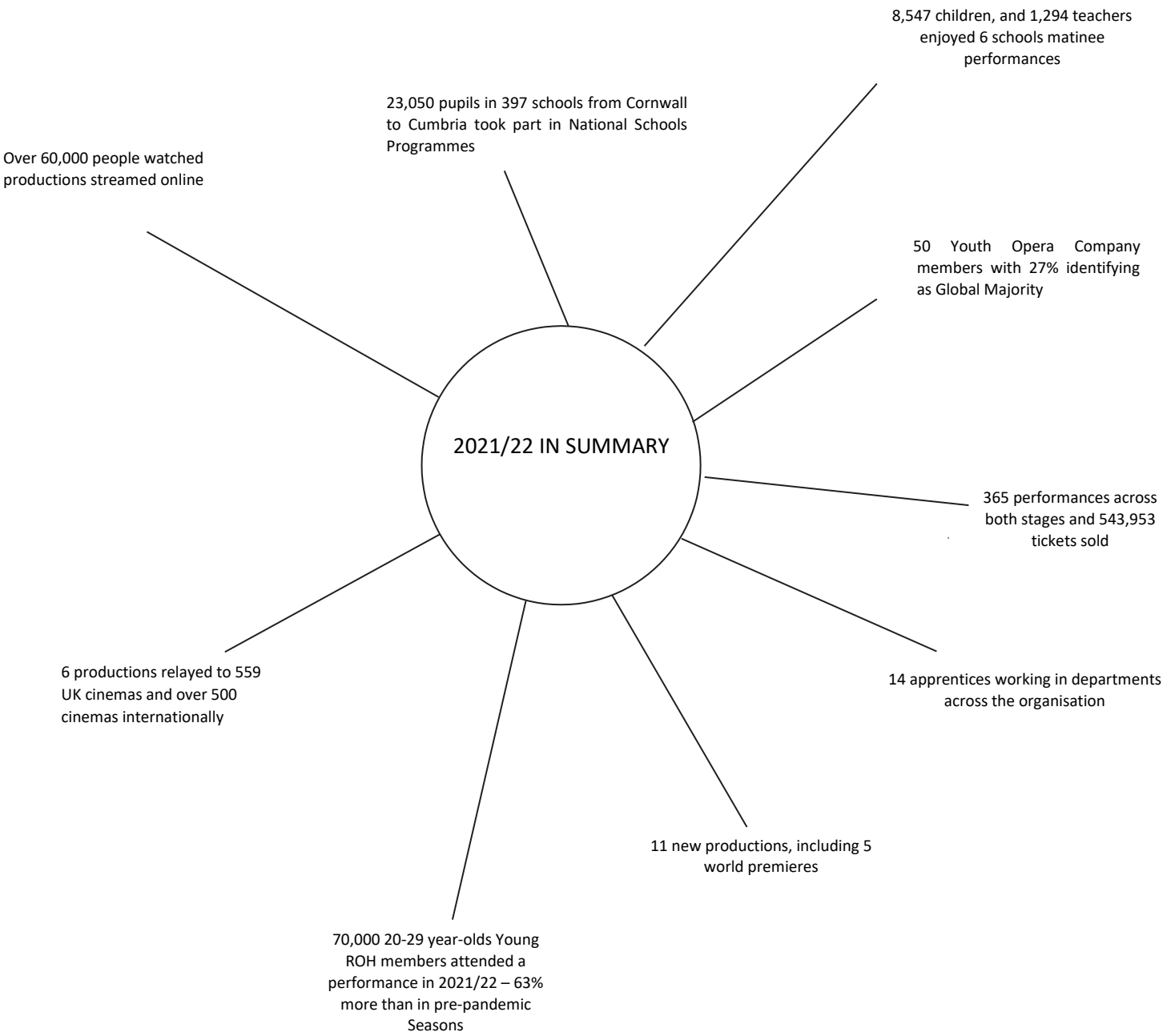
ROYAL
OPERA
HOUSE

THE ANNUAL

REPORT

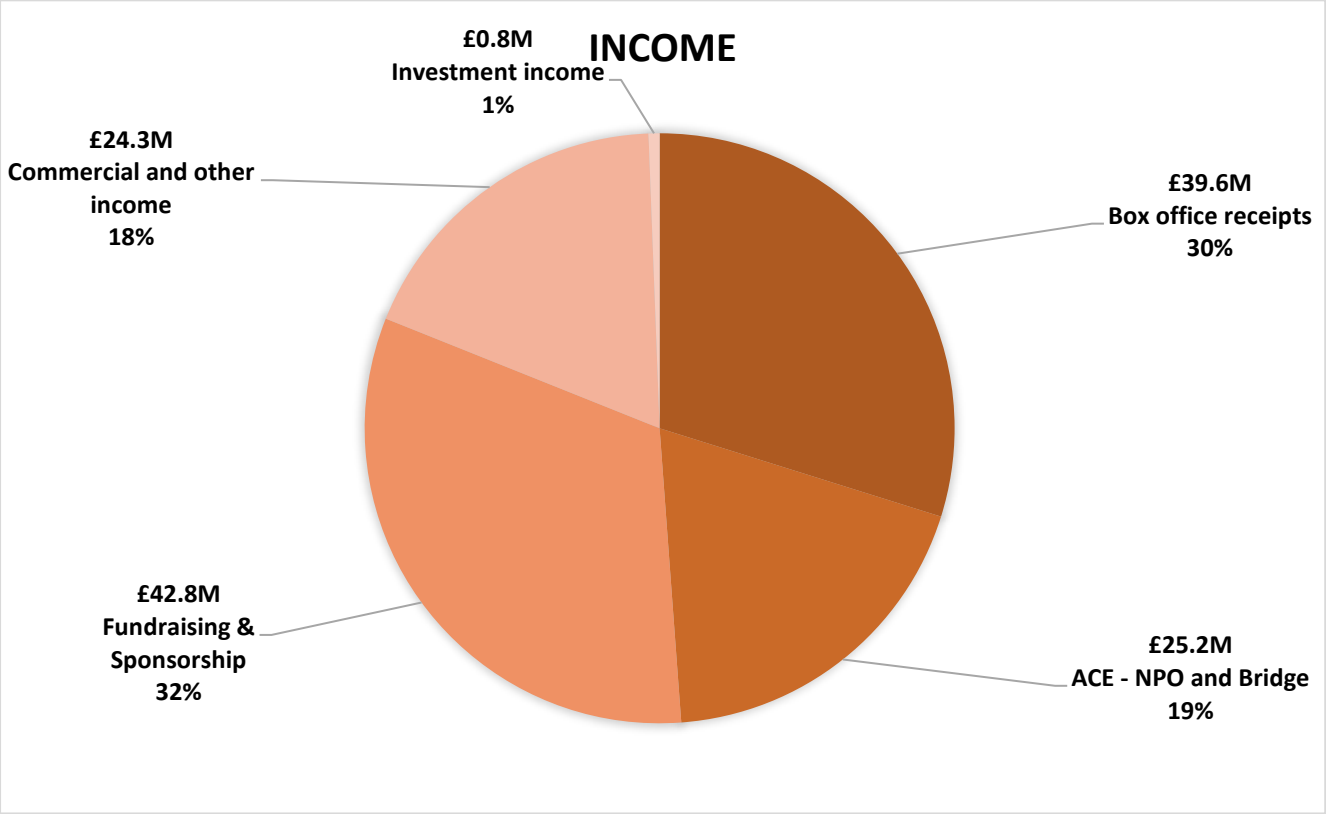
2021/22

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

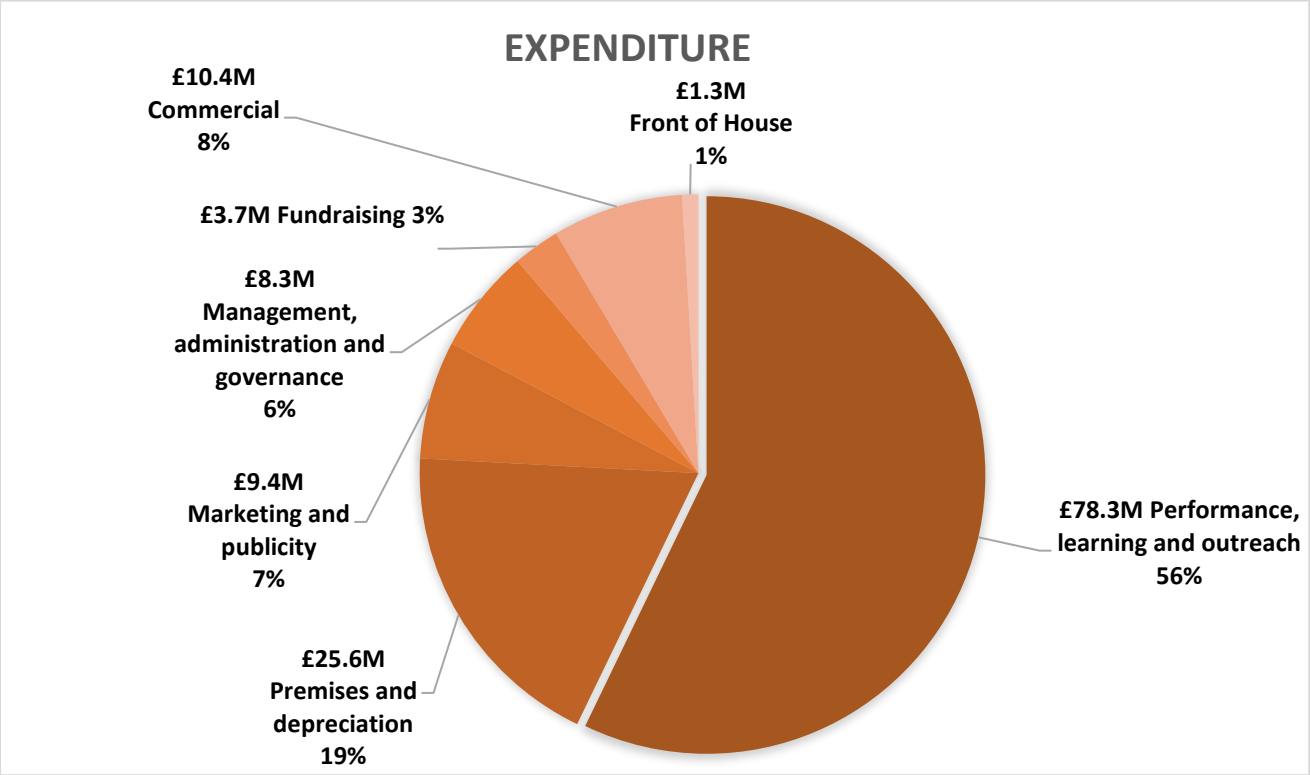


DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

INCOME 2021/22



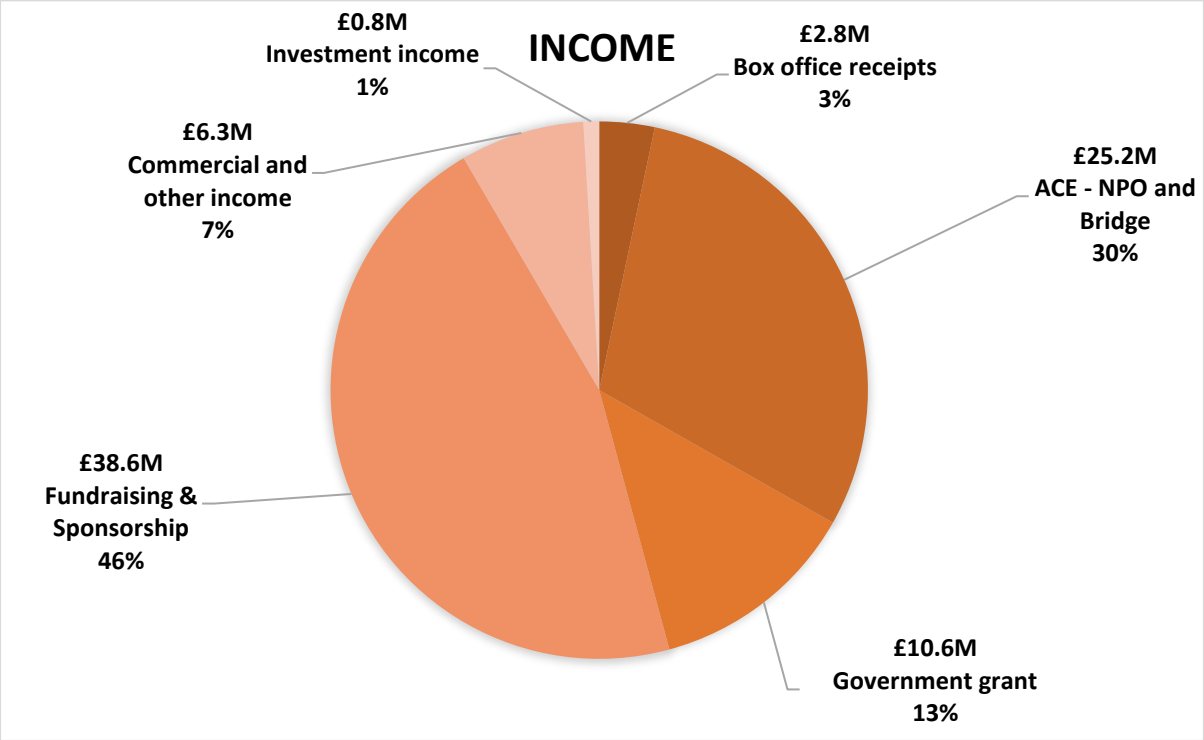
EXPENDITURE 2021/22



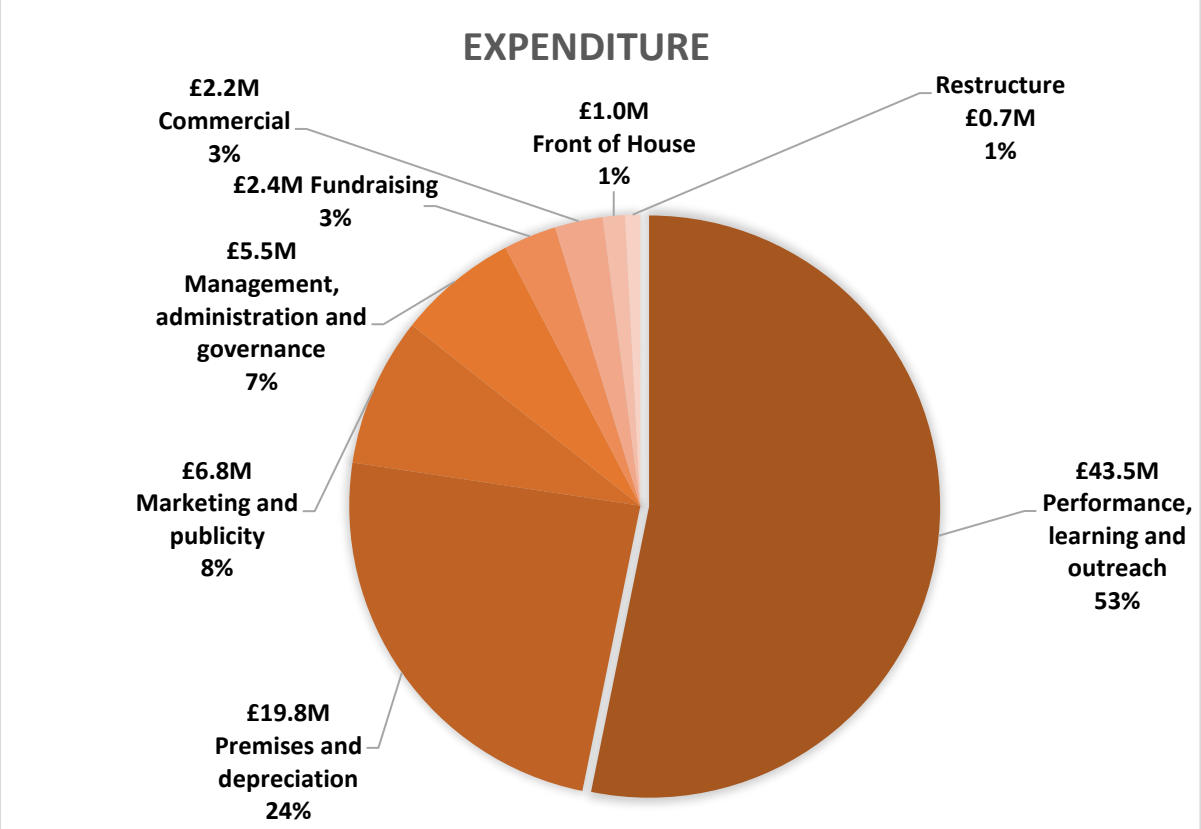
Total income £132.7m, including capital donations and funding of £0.5m. Total expenditure £136.9m, excluding capital expenditure, includes exceptional grant of £3.8m from Paul Hamlyn Education Fund. Figures exclude gains on investment, taxation and fund transfers.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

INCOME 2020/21



EXPENDITURE 2020/21



Total income £84.3m, including capital donations and funding of £0.5m. Total expenditure £81.9m, excluding capital expenditure. Figures exclude gains on investment, taxation and fund transfers.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

TIMESCALE FOR THIS REPORT

The Trustees are pleased to present their report together with the audited financial statements of the Royal Opera House Covent Garden Foundation for the 52-week period ended 28 August 2022.

The comparative period is the 52-week period ended 29 August 2021.

This document will be filed with the Charity Commission and the Registrar of Companies.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

SIR LLOYD DORFMAN CVO CBE *Chair*

Welcome to the Royal Opera House Covent Garden Foundation (Limited by Guarantee) 2021/22 Annual Report.

The Royal Opera House is one of the great arts institutions of the world and I was honoured and delighted to become its Chair in July 2022. I would like to extend my sincere thanks to my predecessor Sir Simon Robey, who stepped in at short notice, for his leadership and guidance at a particularly testing time. As a passionate and long-standing supporter of the arts, I and the Board of Trustees are committed to ensuring that the Royal Opera House continues to offer the very best of music, dance and theatre, engaging and inspiring diverse audiences, whether they be in our beautiful Covent Garden home, in cinemas in the UK and around the world, or through new digital channels. This work also underpins our dedicated learning and participation programmes that have seen dancing and singing embedded in schools the length and breadth of the country.

These are ambitious aims and achieving them has never been easy. In the last few years, however, the challenges facing the House, alongside everyone else in the sector, have been even more severe. During the 2021/22 Season we returned to a full performance schedule and managed to achieve a break-even financial outturn thanks to a comprehensive and robust recovery plan expertly delivered by our executive team. We remain eternally grateful to our partners at Arts Council England and the Culture Recovery Fund, and also to our loyal supporters who have been steadfast friends in very challenging times.

Our recovery was enabled by the incredible generosity of our supporters and propelled by a brilliant and deservedly well received first season back on stage. It was wonderful to welcome audiences back to a near-full season as, in the face of daunting odds, our opera and ballet companies rekindled our presence as part of the cultural fabric of the nation and as a global artistic force.

There are, however, even further challenges ahead: a cost of living crisis, the impact of a devastating war in Europe, the slow return of tourism to London and a reduced Arts Council funding settlement. We must also plan for the substantial renewal of our stage infrastructure and of our building. These challenges will require exceptional hard work and strategic thinking to navigate.

In doing so the Board of Trustees, and the whole organisation, are laser focused on our core priority: the maintenance of world-class artistic excellence upon which all our access and engagement work is founded. This is not just for our immediate stakeholders – whether they be audiences or staff, taxpayers or artists, important as they all are – we also have a wider responsibility. We are the largest employer of artists in the UK after the BBC and an entire artistic ecosystem is reliant on us far beyond Covent Garden. For the country as a whole, The Royal Opera and The Royal Ballet are also landmark companies and beacons of global excellence and performance. We will do everything we can to sustain them for all.

Sir Lloyd Dorfman CVO CBE
28 March 2023

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

ALEX BEARD *Chief Executive*

After two hugely difficult years we returned in 2021/22 for our first full season since the pandemic. Once again all the arts were together, and once again they were for everyone. The triumphant collision of music, theatre, dance, poetry, design and all the backstage crafts, performed in front of passionately engaged audiences, was the most wonderful of tonics and much needed given the many challenges lying ahead.

Covid-19 was still with us and growing infections led to 14 show cancellations over Christmas and New Year. Storm Eunice and combined rail and tube strikes led to another two. Central London tourism remained well below historic levels, which impacted box office yields. And of course Russia's invasion of Ukraine was a massive blow to our tightly knit international community of staff and artists, to say nothing of the attendant impacts on supply chains, energy costs and general inflation. We were shocked and appalled by the war, and all the more determined to ensure that the spirit of internationalism and free artistic expression remain at the heart of our ethos.

It is a great tribute to everyone that such an eagerly-awaited season triumphantly matched expectations amidst it all. Our new production of *Rigoletto*, one of several operas and ballets whose premieres had been delayed by the pandemic, established itself as an instant classic for a new generation. *The Dante Project*, an outstanding collaboration between three exceptional artists – choreographer Wayne McGregor, composer Thomas Adès and artist Tacita Dean – thrillingly showcased The Royal Ballet at the height of their powers. Alongside the triumphant return of *Romeo & Juliet*, this sparkling start to the season was then emphatically sustained through a remarkable run of new shows and returning favourites alike.

Christopher Wheeldon's new full-length ballet *Like Water for Chocolate*, based on Mexican author Laura Esquivel's novel, was the second ballet Main Stage world premiere closing The Royal Ballet's season and the third was Kyle Abraham's new work, *The Weathering*, his second here and the centrepiece of a contemporary mixed programme. Over the season, we welcomed back much-loved signature classics including *Giselle*, *The Nutcracker*, and Kenneth MacMillan's *Romeo and Juliet*. Dance on the Linbury stage again championed innovation and diversity in hosting both UK and international companies, established stars and new names, including Alessandra Ferri, marking the 40th anniversary of her association with The Royal Ballet, Ballet Black and Yorke Dance Project. Draft Works showcased new choreographic talent, including Emerging Choreographer Joseph Toonga, and the Next Generation Festival gave a platform to premiere junior companies and dance schools from across the world. We also presented fundraising performances for Ukraine, including a special one-off *Swan Lake* with four remarkable pairings of our principal dancers performing the roles of Odette/Odile and Prince Siegfried across each of the ballet's four acts. In total we raised £465,000 for Disasters Emergency Committee (DEC)'s Ukrainian Humanitarian Appeal.

In April we dedicated a programme celebrating our founding choreographer Sir Frederick Ashton to Her Majesty Queen Elizabeth II on the occasion of her Platinum Jubilee. She had a long association with the Royal Opera House, granting The Royal Ballet its royal charter and becoming its Patron in 1956. Her patronage was a source of great pride to all our artists and staff, and her long-standing support for the arts was deeply appreciated. The Royal Ballet's 2022/23 Season is dedicated to her memory.

On the opera stage *Rigoletto*, conducted by Antonio Pappano and directed by Oliver Mears, his first production as Director of The Royal Opera, was followed by a succession of inspiring and hugely enjoyable works that combined international perspective and reach with the very best of British talent. The Olivier Award-winning ***Jenůfa*** featured a stunning House debut for Lithuanian soprano Asmik Grigorian, and broke records for the longest gap between a stage rehearsal and its opening night, following the latter's initial cancellation in March 2020. Another work to receive a belated yet triumphant welcome was Richard Jones's thought-provoking production of *Samson et Dalila*.

We continued two cycles of work dedicated to composers with deep historical links to Covent Garden. Deborah Warner's production of *Peter Grimes*, featuring Alan Clayton as the definitive Grimes for a generation, added to our reappraisal of Benjamin Britten, and Katie Mitchell contributed to our cycle of Handel operas with a revelatory reading of *Theodora*.

We also enjoyed an exceptional revival of *Lohengrin* conducted by Jakub Hrůša, who has since been announced as the Music Director Designate to succeed Antonio Pappano in 2025.

Meanwhile the Linbury theatre was also producing prize-winning work. The opera season there began with a Christmas family show, *Wolf Witch Giant Fairy*, which won an Olivier award, as did our collaboration with Irish National Opera for *Bajazet*, remarkably the first opera by Vivaldi ever to be staged at Covent Garden.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

The Jette Parker Young Artists Programme celebrated its 20th anniversary and its mission to support and train the best young singers from all over the world continues to go from strength to strength.

This exceptional programme was enjoyed by near full houses of returning audiences and new visitors alike. We relaunched our Young ROH subsidised ticket scheme, with 63,000 tickets bought by over 20,000 people of whom 85% were new to Covent Garden. We welcomed 10,000 NHS nurses and porters through our #thanktheNHS programme recognizing the selfless dedication of health workers through the pandemic.

We reinstated our cinema programme of live relays, presenting six performances in 559 cinemas across the UK and a further 500 cinemas internationally. Alongside our online streaming activity this ensured that the very best of opera and ballet was available to audiences irrespective of geographic boundaries.

ROH learning and participation programmes returned to schools across the UK. Our Create and Learn programmes reached over 23,000 children in almost 400 schools across 75 local authorities up and down the country. Our 6 Schools Matinee performances were seen by 8,547 children and young people and 1,294 teachers. We celebrated the 30th anniversary of our award-winning Chance to Dance programme – in which we partner local ballet schools with primary schools – with events in Doncaster, Essex and the West Midlands. Our multi-year partnership with Cast and Doncaster Council continued in preparation for two landmark performances in Doncaster, in a mass participation event starring dancers of The Royal Ballet alongside more than 300 local children.

Outside of performances, visitors were welcomed to a myriad of events at our beautiful grade 1 listed Covent Garden home. These included our hugely successful family Sundays, exhibitions featuring Tacita Dean's original artwork for *The Dante Project* in the Paul Hamlyn Hall, a burgeoning programme of guided tours, free lunchtime recitals and much more besides. Meanwhile our five bars and restaurants, including the newly reopened terrace overlooking Covent Garden piazza, buzzed with pop-ups and events, ensuring that the building played its full role at the heart of London's shared cultural fabric.

Behind the scenes our new staffing structures and team arrangements bedded in, following the organisation-wide restructure in 2020. We undertook a full staff survey and introduced 360-degree appraisal for senior management, to ensure that a comprehensive picture of staff views and concerns informs future planning. A new volunteer pilot programme was launched successfully and, together with our longstanding apprenticeship programme, they will help to ensure a diverse talent pipeline for roles off-stage. And we redoubled our commitment to sustainability, with a clear target to achieve net zero emissions by 2035. In the year, we achieved a near 20% reduction in gas consumption compared to pre pandemic, while saving 5 tonnes of paper consumption by moving to digital cast sheets.

None of these achievements would have been possible without the extraordinary dedication, generosity, skill, flair and imagination of so many people. I would particularly like to thank Sir Simon Robey, who returned as our chair at short notice, for his support and outstanding leadership. I also extend a warm welcome to Sir Lloyd Dorfman who succeeded Simon in July 2022. Sir Lloyd is a long-standing trustee of the House and a true champion of the arts. I very much look forward to continuing our work together as he leads the board through the challenges ahead.

My deepest thanks also go to all the artists and the staff of the Royal Opera House, alongside our steadfast partner, donors and supporters, in government and commerce, and individuals who have stood with us through thick and thin and without whom we would not be here today. And of course to our audiences who returned – both in person and digitally – in such numbers and with such patent enthusiasm.

Alex Beard, Chief Executive, 28 March 2023

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

WHO WE ARE AND WHAT WE DO

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Who are we and what do we do, our mission, principles and commitments

We are home to two of the world's great performing art companies: The Royal Ballet and The Royal Opera, both supported by the exceptional musicians of the Orchestra of the Royal Opera House. We tell stories, whether from the great works of the past or from new commissions, that speak to universal themes while also reflecting contemporary culture and concerns. Our theatres are in London's Covent Garden but our work is accessed and experienced across the UK and internationally through touring partnerships, cinema programmes, radio, TV and online streaming.

Our mission is to enrich the cultural life of the nation by growing the public enjoyment and appreciation of exceptional ballet and opera. In doing this we strive to become more inclusive, accountable and effective in our commitment to our social and environmental responsibilities. We aspire to be a global centre of excellence for the great art we produce and for the inclusive way we do it. We aim to be a leading artistic force that takes calculated risks, both to invest in the art forms of the future and to sustain the existing repertory for new audiences. We work with leading creative teams and performers from around the world, consistently achieving the highest standards of stagecraft and embedding constant improvement into our processes and culture.

At the Royal Opera House we believe that diversity is about making sure we are able to attract and develop talented people who bring more, precisely because of their different backgrounds, experiences, cultures and outlooks. Making a difference requires systemic change, and we acknowledge that we must learn as we go. We equally believe that ballet and opera belong to everyone and we strive to make our work available to all – whether in our theatres, remotely in cinemas or online or in the schools and community groups with whom we work all over the UK. Our progress against our diversity goals is reported against each heading given its central importance.

We also strive to make our operations more sustainable, efficient and economical. We have committed to reaching net zero emissions by 2035. We recognise that everything we do has an impact on the environment – at our home in Covent Garden and at our sites in Thurrock in Essex and Aberdare in Wales. This includes events and activities led by The Royal Opera and The Royal Ballet as well as our nationwide education programmes. Our audiences, staff and artists have an effect too. We are making changes now to reduce this impact, and clearly communicate the steps we are taking.

As an organisation the Royal Opera House aspires to the highest standards of corporate governance and seeks to embed best practice in everything we do. We work to justify the faith and trust placed in us by our partners, audiences, artists and staff and we pledge to make the best use of public and private investment to further our art forms and our mission.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

ACHIEVEMENTS

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

ARTISTIC EXCELLENCE

Ballet

Few artistic disciplines were affected as much by the Covid-19 pandemic as dance. Even as restrictions ebbed, it remained necessary to maintain strict protocols in rehearsal for an art form in which close contact between participants is at the heart of the endeavour. It was therefore wonderful to return to the Main Stage with Kenneth MacMillan's *Romeo and Juliet*, one of the largest ballets in the repertory, and to feel the packed audience being once again whisked away to the drama in Verona. With Francesca Hayward and the newly promoted Cesar Corrales leading the Company, it was the first time this generation of young dancers had been given the opening night of a season. Later in the run, Fumi Kaneko, Mayara Magri and Anna Rose O'Sullivan also made their mark, presaging an exemplary season for the newly promoted Principals.

Following *Romeo*, our first premiere of the season was *The Dante Project*, an ambitious collaboration between choreographer Wayne McGregor, composer Thomas Adès, artist Tacita Dean, lighting designer Lucy Carter and dramaturg Uzma Hameed. It triumphantly demonstrated what a ballet company like ours can achieve in a house like this. With complex stage requirements including film, a large orchestra and the deployment of a full choir, the whole house had to work at capacity to make this project happen and it was an emphatic statement that we were back. The production was also notable for being the farewell production of one of our great Principal dancers, Edward Watson. To end such a fulfilling career, spent exclusively within The Royal Ballet, was both a tribute to Edward and to what the Company can offer to the best dancers. We are fortunate that he will continue to work with us behind the scenes as repetiteur and we look forward to his second successful career in the Company.

It is rare for us to have two full-length premieres in one season, but these were special circumstances and the season was bookended by *The Dante Project* at the start and another ambitious world premiere from our Artistic Associate Christopher Wheeldon in June. *Like Water for Chocolate* is an adaptation of novelist Laura Esquivel's captivating Mexican magic realist saga, which imaginatively probes the potent relationships between food, family and emotions. We were particularly mindful of sensitively portraying Mexican culture and were delighted that Laura Esquivel was a key part of the team as was Mexican conductor Alondra de la Parra who acted as music consultant working with composer Joby Talbot to ensure we inhabited an authentic soundworld. Being as true as we could to that culture was just one of the satisfactions of this extraordinary work.

More new work came from Kyle Abraham, one of America's most exciting new choreographic voices. Following the short piece made for us during lockdown, *Optional Family: A Divertissement*, his elegiac new one-act ballet *The Weathering* joined works by Christopher Wheeldon and Crystal Pite on the Main Stage.

We also presented audience favourites, and celebrated the 95th birthday of Sir Peter Wright, with revivals of his signature productions of *Giselle* and *The Nutcracker*. The return of Liam Scarlett's *Swan Lake* was also gratifying as we had lost several performances during the pandemic. Its return allowed some delayed debuts and to show support for the people of Ukraine with a unique fundraising evening. In a Company first, four of our most respected Principal dancers, Lauren Cuthbertson, Sarah Lamb, Marianela Nuñez and Natalia Osipova, joined forces to share the role of Odette/Odile across the four acts.

The Linbury was remodeled as an intimate chamber theatre in 2018, but 2021/22 was its first full season. As a smaller space it allows for new or experimental work by younger makers and performers but equally it provides a different context for established stars. Alessandra Ferri marked the 40th anniversary of her association with The Royal Ballet in the Linbury with Maurice Béjart's *L'Heure exquise*, a piece inspired by Samuel Beckett's *Happy Days*, and there were also visits by acclaimed companies Ballet Black and Yorke Dance Project. Innovation and diversity were at the core of the repertory with contributions from the UK and abroad and from young and emerging choreographic talent. Our Next Generation Festival gave a platform to premiere junior companies and dance schools drawn from across the UK and abroad. Contributions from ZooNation Youth Company, Queensland Ballet, Jette Parker Young Artists, American Ballet Theatre Studio Company, Dutch National Ballet Junior Company, The Royal Ballet School and others ensured an inspiring international range of choreography. *Draft Works* continued as a vital choreographic platform for Royal Ballet dancers to make new work for their peers. This included wonderful new work from Joseph Toonga, The Royal Ballet's Emerging Choreographer, who brings a contemporary hip-hop background to his choreography. We

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

also invited Joseph Powell-Main, a wheelchair user, to further extend our practice and the language of classical dance movement. The Dance Reflections by Van Cleef & Arpels Festival took place over three weeks, launching a fantastic collaborative initiative between the Royal Opera House, Sadler's Wells, Tate Modern and Van Cleef & Arpels, in a new model of philanthropy.

Our first season following the pandemic allowed us to showcase a diverse range of talent. There were more works choreographed by women and a greater awareness given to representation of the global majority on our stages. Following discussions with The Royal Ballet's Diversity and Inclusion Group, it was decided that all dancers, not just those of colour, would be given the opportunity to input into how they are represented on stage. The wardrobe department carried out a consultation with the dancers to ensure that all costumes, tights, make-up and hair are appropriate for each production.

Following the pandemic, we were particularly conscious of the health and well-being of the Company. A combination of Covid-19 protocols and the work of our medical team, led by Clinical Director Shane Kelly, who joined us from British Athletics, kept our artists fit and healthy, and performing at the highest levels. We have also been active in supporting dancers' mental health in a number of new ways including the introduction of intimacy consultants in the rehearsal process and examining the culture of the organisation. The Royal Ballet is a 'family' and there are dancers who have been associated with the Company since they were young performers. We are dedicated to finding ways of working together collaboratively and to ensure that The Royal Ballet is the best possible place to work.

Opera

The opera season opened triumphantly on the Main Stage with *Rigoletto*. Verdi's evergreen masterpiece was conducted by The Royal Opera's Music Director Antonio Pappano in a staging by Oliver Mears, his first as Director of Opera. His fresh new vision made for a dynamic and thought-provoking production for our age. One of Mears's priorities has been to re-define the identity of the opera Company against its history and to think about those composers who have a particular association with Covent Garden. Handel, who wrote so many of his operas and oratorios for Covent Garden, is a prime example and the performance of a new production of *Theodora*, which had not been performed at Covent Garden since its premiere in 1750, was a special moment. Katie Mitchell's boldly feminist, impeccably staged and beautifully designed production was a stimulating and pertinent treatment of a classic work. Another composer strongly connected to the Royal Opera House is Benjamin Britten. Our ongoing cycle of his operas has already seen new productions of *Billy Budd* and *Death in Venice* and the intention is to stage all his operatic work in the coming years. *Peter Grimes* was another highlight of the 2021/22 Season. Superbly directed by Deborah Warner and performed under the baton of Mark Elder it featured a brilliant cast of mostly British singers lead by a compelling Allan Clayton in the title role.

Our work with British artists is all the more important at a time when they are finding it harder to work abroad. The creative cross-pollination between UK and overseas artists has always been at the core of a house with a strong international heritage. Going back nearly 300 years, Covent Garden has always presented the most extraordinary singers from around the world and more recently that has expanded to also welcome great directors and creative teams. In that spirit it was a joy to see *Jenůfa*, part of our ongoing cycle of Janáček's work, at the heart of the season. The production was especially notable for soprano Asmik Grigorian's outstanding performance in her Covent Garden debut, and for winning an Olivier for Best New Opera Production in the 2022 Olivier Awards – a well-deserved award for the whole Company.

Both *Rigoletto* and *Jenůfa* had to be postponed when the pandemic struck. Seeing these works come to belated fruition was one of the quiet satisfactions of this unique season. Another postponed production that finally came to the Main Stage was *Samson et Dalila*, which exemplified our continued commitment to presenting the best talent from home and abroad. Directed by long-time Royal Opera collaborator Richard Jones, it was designed by Korean-born Hyemi Shin with Elīna Garanča singing Dalila opposite Seok Jong Baek as Samson. Overall, the cast were led by artists from the global majority, another landmark for The Royal Opera. Other memorable performances included Russell Thomas's magisterial Otello, Pretty Yende and Angel Blue in *La traviata* and rising British star Freddie de Tommaso bringing the house down for his unexpected debut in *Tosca* when Bryan Hymel fell ill, making him not only the first British tenor to sing Cavaradossi in almost 60 years but also the youngest tenor to ever take on the role at the Royal Opera House. Across the season it was wonderful to watch us melding our established talent with new stars, revitalising the repertory and being consistently ambitious in our artistry and progressive in our values. A

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

glimpse of how this might play out in the future came in our production of *Lohengrin*, thrillingly conducted by Jakub Hrůša, who will succeed Antonio Pappano as Music Director for The Royal Opera in 2025.

Another glimpse into the future came from the Jette Parker Young Artists Programme, which celebrated its 20th anniversary in the 2021/22 Season. The Programme recreates the ensemble ethos within the House with singers not only working on our stages but giving recitals, performing in key events and becoming familiar faces to our audiences. The scheme finds, nourishes and foregrounds the most brilliant young singers of their generation, from all over the world, with many of them going on to have glittering global careers. The 20th anniversary concert celebrated that ethos and The Royal Opera's commitment to a new generation of artists of diverse background and heritage.

Away from the Main Stage, in the Linbury Theatre and elsewhere, there was an equally dynamic and fulfilling opera season. Following the pandemic we were determined that the Linbury would maintain its focus on renewing the opera form, looking to the future and finding different stories and different people to tell them. That was achieved in the 2021/22 season through both new work and existing repertory, created in interesting and imaginative ways. *Wolf Witch Giant Fairy*, a wild folk opera of music, mischief and magic, was a new collaboration between The Royal Opera and the always innovative Little Bulb theatre company. As a Christmas show for family audiences its joyful exuberance was a perfect antidote to the previous couple of years. The production was an enormous success with audiences and won the 2022 Olivier Award for Best Family Show, a category in which opera has rarely featured before. It was not the only Linbury show to win that night. *Bajazet*, remarkably the first opera by Vivaldi ever to be staged at Covent Garden, won the Achievement in Opera award for conductor Peter Whelan. In a co-production with Irish National Opera, director Adele Thomas brought a visceral intensity to the opera's negotiations between powerful men and strong women as desires of the heart clashed with rank and duty. Away from Covent Garden, at the Hackney Empire, The Royal Opera presented a collaboration with Music Theatre Wales and Britten Pears Arts: *Violet*, a new fable-like opera about a small village in which time is literally disappearing, written by two of the brightest stars of music and theatre, Tom Coult and Alice Birch.

This year Engender – The Royal Opera's initiative to change the gender imbalance in opera and music theatre – included projects, conversations and insight sessions undertaken to develop partnerships with women and non-binary people working in South Africa and Egypt. At the heart of this year's Festival was *The Blue Woman*, a new opera co-production with Britten Pears Arts from composer Laura Bowler, librettist Laura Lomas and director Katie Mitchell. The groundbreaking opera explored the psychological aftermath of sexual violence on women. Since the pandemic there has been a great deal of thought given to how we care for people in the widest sense and such was the subject matter of *The Blue Woman* that we ensured the creative team had access to emotional and psychological support throughout the project. We also allowed the audience to remain in the theatre after the performance until they were ready to leave the space and we worked with Rape Crisis to signpost places where people could get additional support. Renewal in the arts is not always just about the work that has been created, it is also about the way it has been created and the way it is presented and received.

LEARNING AND PARTICIPATION

The arts have unique powers to inspire people, to make connections between people and to unlock creativity in all aspects of people's lives. The Royal Opera House demonstrates this every night on our stages, in cinemas and via streaming. But it also demonstrates the importance of art to people's lives in classrooms and in community groups across the country. Our Learning and Participation programme has for many years played a vital role in enabling wider access to ballet and opera, and to building and diversifying the art forms.

Since 2020 the pandemic has had as dramatic an impact on our work around the UK as it did in Covent Garden itself. Many of the schools and community group partners with whom we collaborated were in turmoil and while we attempted to maintain links and preserve programmes our activities were inevitably limited by social distancing and school closures. It has subsequently become evident that the inequalities within society have been magnified by the pandemic, not least in people's access to the arts, and so it has become more important than ever that as one of the largest creative organisations in the UK we reach communities in areas of disadvantage. We therefore re-focussed our programmes to ensure we were doing the most we could to support people with socio-economic or other disadvantages. The 2021/22 Season became a celebration of public value as we again went out to meet children and young people and they, and people of all ages, were again welcomed back to our buildings.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Our National Schools Programme is the bedrock of our efforts to inspire creativity and in 2021/22 we reached pupils the length and the breadth of the country. We were delighted to win both the Primary First award and the Gold Award in the Pearson National Teaching Awards for Impact through Partnership. Our Trailblazer Partnership Programme involved 44 of the 53 schools in Thurrock, Essex, and generated cultural activities that were attended more than 9,000 times by students. The Create and Sing, Create and Dance and Create and Design programmes operated in towns from Cumbria to Cornwall and took in over 900 schools with 23,000 children and young people participating.

The return of our Schools Matinee progamme saw six full houses with over 8,500 young people enjoying the performances. We prioritised those schools out of London or with higher-than-average levels of free school meals, and they saw performances of *Swan Lake*, *The Nutcracker*, *Tosca* and others. The sight, and even more the sound of a packed house of children participating in a mass sing along with the cast and orchestra the 'Pa–, pa–, pa–, Papageno' duet from Mozart's *The Magic Flute* was undoubtedly one of the highlights of the season.

In 2022 we celebrated the 30th anniversary of Chance to Dance, in which we partner local ballet schools with primary schools to reach children who wouldn't usually have access to ballet lessons. Those with ability are then awarded a bursary to continue with dance lessons. Events in Doncaster, Essex and the West Midlands were attended by 770 year-three pupils from 14 schools. To see those very young children perform alongside Royal Ballet dancers on the stage at the Elmhurst ballet school was another highlight of the year. In parallel our Youth Opera Company auditioned 97 children to become part of the 50-member cohort from across London for the children's chorus for Royal Opera productions of *Cavalleria rusticana*, *Pagliacci* and *Otello* on the Main Stage.

We also returned to a full programme of events, exhibitions and tours in Covent Garden and threw open our doors on twelve Sunday mornings to welcome families to take part in ballet and opera and theatre-craft activities. The events are linked to performances in our repertory and this year included a packed family day celebrating Pride. The return of audiences to our venue as a destination, aside from performances, was one of the key successes of 2021/22 and in all we welcomed 14,000 families from diverse backgrounds through our Family Sundays. Live, in-person Insights events also resumed, exploring the history and context behind our productions and performances, and with over a million views for these events on digital platforms this year, we also welcomed nearly 6,000 people to live events.

Another special visitor was Little Amal, the 3.5m tall puppet of a 9-year-old Syrian refugee girl, who walked to Manchester from the Syrian border in search of her mother, representing the stories of millions of displaced refugee children. The Royal Opera House provided her with a bed for the night on the eve of her 10th birthday. After a performance of *Romeo and Juliet* the principal dancers, in costume, welcomed Little Amal into the Paul Hamlyn Hall for a specially-commissioned ballet performance. There were performances by Phosphoros Theatre Company by people with the lived experience of being a refugee or an asylum seeker in the UK, and The Citizens of the World Choir sang her to sleep under a giant quilt made from offcuts of ROH costume material made by ROH staff and Kite Spirit in Thurrock.

In December, to show our continuing thanks for the incredible work done by NHS staff throughout the Covid-19 pandemic and beyond we welcomed NHS key workers and their families to our annual Paul Hamlyn Christmas Treat: a morning of interactive workshops and activities followed by a special performance of *The Nutcracker*. We have formed partnerships with 10 NHS Trusts across London and in Doncaster and after the performance our orchestra and cast stood on the stage to applaud the audience, expressing our gratitude for their efforts to help us all through the pandemic. Over 10,000 NHS workers have now been our honoured guests at opera and ballet events.

OPERATIONS AND BUILDINGS

Although the worst of the Covid-19 pandemic appeared to be behind us in September 2021, running the Royal Opera House safely was our top priority, ensuring protocols to mitigate infection risk. This was both a vital health decision and a vital business decision; having suffered such a significant loss of income over the previous 18 months it was imperative that the theatre remained open and as many performances as possible took place.

We set-up a Covid-19 clinic and members of the opera and ballet companies, the orchestra, and those working in close contact with them such as dressers and makeup artists, were all regularly subject to Covid-19 PCR tests. Other staff in back of house and front of house teams were also regularly tested. This

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

succeeded in keeping our work on stage and presented to capacity audiences until the arrival of the Omicron variant when the scale of infection necessitated the cancellation of some performances – including of *The Nutcracker*, one of our most popular and eagerly awaited shows. Later in the year we also lost a small number of performances to the effects of Storm Eunice and to the combined effects of the National Rail and Underground strikes given the scale of staff and artists required to deliver our schedule.

The success of our re-opening was a team effort across departments with our Front of House staff playing a vital role. Behind the scenes, the pandemic concentrated minds on our health and safety procedures and we conducted a wholesale review to restart our operation with health and safety front and centre of our thinking to improve on ways of doing things.

This period also gave us an opportunity to progress plans to maintain and renew our building. A full condition survey of the estate, begun in 2019 looking at infrastructure that was largely put in place in 1999, confirmed the need for remedial work and upgrades. During lockdown we completed an upgrade of our stage flys system, one of the largest such systems in the world. We spent much of 2021/22 devising a plan to undertake upgrades across most of the rest of the stage equipment. The key elements of this programme will take five years and during that time we will be fine tuning the next 10 years of upgrade and replacement work across the rest of our estate to ensure the delivery of world-class ballet and opera for decades to come.

SUSTAINABILITY

The climate crisis is the most important issue facing the globe today. Recognising our international reach and leadership role within the UK arts sector, we have embraced our responsibility and obligation to reduce our greenhouse gas emissions, encouraging staff and audiences to do the same, and to act as a catalyst for positive change in our industry. We have committed to net zero emissions by 2035 for Scopes 1 and 2 (emissions from gas, ROH owned vehicles and electricity) and to setting targets for our Scope 3 emissions (emissions from transport and travel, waste, water and purchasing) by 2025.

Our efforts to minimise our direct energy usage has resulted in an 18% reduction of gas consumption compared with our last pre-pandemic season of 2018/19. Further actions to immediately reduce energy use are in place, as well as a longer-term plan that addresses the challenges presented by operating in a listed building with inadequate heating systems. The replacement of our gas boilers with low carbon technology has been adopted as part of a wider fifteen-year plan towards our 2035 net zero target.

The move to more digital ways of working was prompted by the pandemic, but we will be retaining and extending some of these initiatives into the post-pandemic era. E-tickets as opposed to paper, and not issuing daily printed cast sheets, have been a particular success with over 5 tonnes of paper saved – the equivalent of 1,800 tonnes of CO2 not being released over the course of the year. But we are aware that an increased digital footprint has its own environmental costs and as we move more of our activities online we will be continually liaising with our digital suppliers to ensure any changes remain beneficial overall.

More generally we are committed to delivering sustainable actions across our operations. We have recruited dedicated resource to spearhead energy efficiency schemes and to pilot an approach to producing sustainably – we will promote and share good practice from these initiatives. We are also working with all our suppliers to understand their environmental principles, commitments and practices. Our significant purchasing spend on large items within the sector gives us considerable influence and we use supplier questionnaires to incorporate sustainability into our decision making. We are beginning to gather data about the cost of choosing more sustainable options. In terms of smaller, everyday spending decisions we have set up systems to ensure that individual teams within the organisation can assess what they are buying, who they are buying from and whether the suppliers and the product have appropriate environmental credentials.

Food production, transport and preparation is a significant source of carbon emissions. We are working closely with our restaurant contractors to source more sustainable products and minimise the impact of transport networks in public and staff restaurants, cafes and canteens. Different menu options, with more vegan and vegetarian options, have been introduced alongside a more sustainable approach to food waste. Throughout the building, in the public areas, backstage and in our offices, water fountains have been installed and staff and visitors are encouraged to bring their own reusable water bottles, resulting in a significant reduction in our consumption of plastic. Elsewhere all disposable cups are now made of vegware which is fully compostable.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

The Royal Opera House Shop, in our Covent Garden theatre and online, is also playing its part by making more sustainable products available. These include tote bags made from offcuts of fabric from old costumes that have been repurposed by a local small-scale manufacturer, enabling customers to carry around a reminder of a favourite production – *Carmen*, *Cinderella* and many more. In additions more products are now made from recycled leather, plastic bags and beads transformed into bracelets, and pens made from bamboo.

Efforts to reclassify and minimise waste are underway throughout in the organisation with flowers and foliage used on stage being made from old costumes, ballet shoes being recycled and even new uses being investigated for excess hair from the wig department. Surplus furniture has been passed on to a specialist distribution hub for resale to charities and small businesses, sewing machines have been donated to community textiles groups and South Essex College and products that could be used as arts-and-crafts supplies for children have been given to the Thurrock Play Network. The Royal Opera House partnered with the charity Suited & Booted, who support vulnerable men in London to donate 1,929 items of obsolete front of house uniforms – including jackets, trousers, waistcoats, T-shirts and shirts – providing new smart attire for vulnerable, unemployed men and those on low incomes, for job interviews.

Looking forward we have laid the ground for three significant initiatives. While our productions are based on the sustainable principle of reuse since we store and re-use sets, we are looking at ways to make modular sets that can be used for multiple productions and therefore minimise transport and storage. We are also planning two large-scale surveys. The first will examine the transport impact of an opera production, taking in the movement of both staff and audience with a view to encouraging more sustainable modes of transport. A second study will be a comprehensive carbon audit of a new production – Dvořák's *Rusalka*, to be performed in February 2023 – taking in every aspect of its preparation and staging to provide base figures for us to work towards lowering our total carbon footprint in the future and our wider aim of working with our staff, artists, audiences and industry stakeholders to enable and inspire more sustainable operations.

OUR PEOPLE

During the pandemic, like many in the arts sector, we sadly had to part company with a significant portion of our staff. Around 250 colleagues left, with the vast majority volunteering for a redundancy programme. As we prepared to return to a full performance season in 2021/22 we had to build back our staffing levels while at the same time recalibrating the working experience here. To gain an understanding of how our staff and artists were feeling and what their expectations of work post-pandemic were, we undertook a comprehensive people survey.

It emerged that our staff are still primarily motivated by a desire to enable world-class performances on our stages. The levels of identification with the Royal Opera House's core objective of artistic excellence, as well as a pride in belonging to the organisation, remained at remarkably similar levels to those before the pandemic. The pandemic had made an impact on people's expectations, taking in issues such as work/life balance and a wider sense of wellbeing. We have already taken steps to prioritise these areas, bringing senior managers from across the organisation together to develop solutions while each director has a clear plan of action informed by their staff. To further support the development of our senior leaders, each has taken part in a 360-degree feedback process to provide them with constructive feedback to help them identify their strengths and areas for development.

The pandemic also had a dramatic impact on the employment market in general. A phenomenon seen across the UK and globally, the environment has fundamentally changed in terms of recruitment, retention and talent management. Just as we want to employ the world's best and diverse performers, we also want to employ the world's best technical staff. We need to be able to attract, retain and develop staff, which is now a greater challenge than it was before. Technical, production and craft skills in particular have been courted by the TV and film industries and recruitment into all roles has been challenging. This has led us to ask how we can best attract high quality people. We cannot always compete financially, but we have an advantage with a strong employer brand, and are able to compete on job satisfaction, quality of work and flexible schedules. This combined with a new, best practice, approach to how we manage recruitment has meant we have largely succeeded in building back a talented and diverse intake of staff and artists.

The reduction of our staff and artists was difficult across the board. One positive however, is that even at the lowest point of our headcount we maintained the same levels of diversity of staff as pre-pandemic. As we have built staff numbers back, we have extended the diversity of our staff from global

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

majority backgrounds, disabled colleagues and maintained a small female majority through efforts into recruitment, talent pipelines and outreach to communities and organisations that champion those with protected characteristics. Our task is now to ensure that we sustain an inclusive culture in which all our staff thrive. We track people in their progress through the organisation against published targets and are committed to the principle that the greater your diversity, the better the talent.

At the heart of our talent pipeline is the ROH apprenticeship scheme. We administer an inclusive system that enables equality of access to opportunities, allowing young people and those without degrees from diverse backgrounds to enter the world of theatre. We have run apprenticeship schemes across our stagecraft areas for 15 years and, as a sector leader, we have a responsibility to support and encourage the training of young people not only to work for us, but to benefit the industry as a whole. Our goal is to continually identify new areas where we can expand our apprenticeships. Over the years we have trained 64 apprentices and currently have 14 in our scheme working in our London and Thurrock sites.

A vital addition to the 2021/22 Season was the launch of a pilot volunteer scheme to help nurture new talent, increase contact with local communities and add value to the delivery of our services. The Welcome Host initiative engaged over 60 new volunteers and included an enhanced programme of training and support for volunteers to increase participation from underrepresented groups.

The contractual and pastoral care of our staff and artists takes many forms and last season we introduced an intimacy coordinator into the theatrical process. The Royal Opera led on this, closely followed by The Royal Ballet with HR working closely with artists to establish protocols around how to touch, act and how to physically engage – in rehearsals and on stage. This is a new area, but we have put a lot of thought, resource and effort into discussing with the wider staff and other performing groups with the aim of providing a safe space for people to feel confident to work and to perform.

Underpinning all our activities relating to staff and artists last season was an ongoing ambition to re-apply the 'invisible glue' that bonded the organisation together before the pandemic. With such a large turnover of people inevitably some of the knowledge as well informal relationships between departments and people has been lost. We have been proactive with training and information sessions for staff, new and old. We have brought back in-person induction sessions, rolled out anti-ableist training for managers, ran staff forums for equality, diversity and inclusion, as well as introducing a new weekly newsletter. At the same time we have re-introduced social and informal elements to the working life of the theatre to build relationships between teams. After the institutional and personal challenges of Covid-19 this sense of common purpose, mutual respect and of an organisation operating within a healthy and organic culture remain important goals.

PHILANTHROPY, OUR SUPPORTERS AND COMMERCIAL PARTNERS

The Royal Opera House has always relied upon, and has been proud of, its diverse sources of support and funding. Ticket sales and the trust placed in us by the public are key elements of our mixed revenue model, and commercial enterprises play another significant part. Philanthropic support has always been at the heart of what the ROH does. Our members, friends and donors play an integral part in our work and the generous support we receive – whether for the art on our stages, for our learning and participation programmes, our public spaces or behind the scenes – enables us to aim for the highest standards.

This has never been more true than in recent years. We simply would not be here, let alone have returned with such strength and renewed energy after the pandemic, without the steadfast support we have received – including, of course, government support through the Culture Recovery Fund. We emerged from the disruptions of the pandemic with a profound sense of how much and how widely the Royal Opera House and its work is valued. Even when there had been so few shows to experience in the theatre, our members renewed their memberships and engaged with our work whenever there was an opportunity to do so. This was also true of the many individuals and companies who chose to continue to support, and we are deeply grateful that all our corporate partners stayed with us during the ROH's period of closure.

This bedrock of support not only provided vital security, but also demonstrated much needed imagination, flexibilty and patience during the most trying times in recent history. We did our utmost to promote the visibility of our corporate partners and worked closely with them to transfer investment to initiatives such as digital and streaming. Many donors, who were committed to supporting the community of artists and makers through such difficult times, also pledged significant monies towards our recovery over two or three years and this has been invaluable in terms of our creative and financial planning.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Generous supporters of premieres, such as *Rigoletto*, ***Jenůfa*** and *The Dante Project*, had to wait for up to 18 months to see the fruits of their donations, and so it was particularly gratifying to see these productions arrive on the stage and for them to be so widely celebrated. Their triumph was both a tribute to the teams who made the work and the enthusiasm of the people who supported it.

Another welcome return to normality after the pandemic was the opportunity for supporters to again interact directly with our artists and staff. One of the most valued elements of ROH membership and other forms of support, both for us and our supporters, is the opportunity to meet up at rehearsals or events or in smaller gatherings, in person. These had been much missed and when they returned the energy and enthusiasm for them was felt across the House.

The Open Up project, completed in 2018, was itself a product of philanthropy in that no public funds were deployed in the physical redesigning of our front of house areas. It is the legacy of this generosity that enabled the opening-up of our front-of-house spaces in full. The foyers, restaurants, bars and cafe saw more people than ever before coming to the building, and more people venturing further into the building to enjoy our hospitality, events and exhibitions. With our prime location in Covent Garden and our terrace overlooking the Piazza, the Royal Opera House has become a landmark London destination, not just for people coming to see opera and ballet, but for visitors from around the world to experience the best of culture in the heart of the West End.

An important portion of income comes through our commercial enterprises, including the cafes, restaurants and the Royal Opera House Shop – both online and in Covent Garden. During 2021/22 we took the opportunity to examine which products we sold in store and online, why we sold them and what stories these products told about us as an organisation. The result was a radical refresh of stock lines that were more sustainable and more in tune with our values. With the easing of Covid-19 restrictions we worked closely with our catering partners, Company of Cooks, not only to re-open our five restaurants and cafes but also to refresh menus and offer an exceptional dining experience for all. We hosted two cocktail pop-ups in our bars and two pop-up chef events in our restaurants, which succeeded in changing the way our food and hospitality offerings fit into the wider London food and social culture.

Our relationships with partners – artistic, commercial and philanthropic – are at the heart of what we do. In this spirit we will continue to develop the ways that philanthropy can enhance our work and the work of our sector. One of our key roles as a global institution is to create a new and better understanding of arts philanthropy and the power of commercial partnerships, and we will continue to utilise our diverse funding model to produce great art for all in perpetuity.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Streamline Energy and Carbon Reporting

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR) imposed by the 2018 SECR Regulations, we are required to disclose the following energy and carbon information for the reporting year 1 September 2021 to 31 August 2022.

Scope 1: Emissions from combustion of Gas tCO2e 2022: 1,258 (Energy consumption: Gas 6,892,888 Kwh) 2021: 1,334 (Energy consumption: Gas 7,281,114 Kwh) 2020: 1,127 (Energy consumption: Gas 6,127,551 Kwh) 2019: 1,502 (Energy consumption: Gas 8,168,576 Kwh)
Methodology: tCO2e calculated from the product of the invoiced gas consumption in Kwh during the reporting period and the 2022/2021/2020/2019 UK Government CHG Conversion Factors for Company Reporting (version 1.0) for
Scope 2: Emissions from purchased electricity tCO2e 2022: 1,801 (Energy consumption: Electricity 9,313,635 Kwh) 2021: 1,478 (Energy consumption: Electricity 6,960,717 Kwh) 2020: 1,748 (Energy consumption: Electricity 7,498,289 Kwh) 2019: 2,393 (Energy consumption: Electricity 9,360,362 Kwh)
Methodology: tCO2e calculated from the product of the above stated electricity consumption in Kwh during the reporting period and the 2022/2021/2020/2019 UK Government CHG Conversion Factors for Company Reporting (version 1.3/1.0) for 'Electricity Generated/Electricity: UK'
Scope 3: Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel tCO2e 2022: 2 (8,594 miles) 2021: 3 (9,672 miles) 2020: 13 (47,080 miles) 2019: 20 (68,557 miles)
Methodology: tCO2e calculated from the total mileage expenses claimed during the period (as stated above) multiplied by the 2022/2021/2020/2019 UK Government CHG Conversion Factors for Company Reporting (version 1.3/1.0) for an Average Car and unknown fuel type
Intensity Ratio: tCO2e gross figure based from mandatory fields (tCO2e/m2) 2022: 0.0570 2021: 0.0506 2020: 0.0520 2019: 0.0744
Methodology: The intensity ratio stated above has been calculated as Tonnes of CO2e per total square metres of useful floor area (57,438 m2)

The 2021/22 season has been the first year during which the ROH has returned to a full performance schedule post-pandemic. During 2020/21, buildings remained closed or were only partially open until April '21, and performances commenced again in May initially as broadcasts before welcoming audiences, albeit limited in number for some months. From September '21 we have largely been operating under standard conditions, alongside Covid-19 protocols as required including maintaining our 100% fresh air ventilation system throughout the Covent Garden building.

Since our return to a standard operation, ROH have been working hard to reduce our energy consumption. Our Energy Manager has created an Energy Savings Opportunity Tracker which we are using to plan our energy reduction measures and track our path to achieving net zero carbon emissions for Scopes 1 and 2 by 2035.

For the SECR reporting period 1st Sep 2021 – 31st Aug 2022 our electricity consumption showed an overall increase by 2.3 MWh, a 34% increase compared to 20/21. This is reflective of the reduced number of performances in 20/21 causing a lower than standard electricity consumption. Comparison with the 18/19 pre-Covid-19 baseline year indicates a reduction in electricity by 0.04MWh or a 0.5% decrease.

Our gas consumption showed a decrease by 0.39MWh, a 5% decrease when compared to 20/21. There was a 1.3MWh or 16% decrease when compared with 18/19. Comparison with 18/19 shows decreases in both electricity and gas and is representative of the achievements made in energy efficiency during 21/22, despite continuing to use 100% fresh air ventilation.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Across the whole estate in 21/22, electricity accounted for around 57% of total annual energy demand and natural gas accounted for 43%. This composition of energy use has changed following the energy measures we have undertaken and our reduction in gas use; the balance previously being 53% electricity and 47% gas in 18/19. It is intended that this composition will gradually move more towards electricity as we attempt to decarbonise our energy consumption.

Finance and Governance

The Royal Opera House strives to present an ambitious programme of work while balancing its books on unrestricted general funds in each full financial year.

The results for the period are set out in the consolidated statement of financial activities. Note 1 to the financial statements sets out the basis on which these financial statements have been prepared.

The Board of Trustees received Management Accounts at each Board meeting. The ROH's business plan includes a set of outcomes and related KPIs, agreed with the Executive team and Board of Trustees. KPIs included: public engagement across performances, digital activity and learning and participation initiatives; diversity of audiences, participants, staff and artists; results against budget; and environmental performance. Performance against the KPIs is reviewed in detail at the end of each year. As the pandemic severely impacted the KPIs, monitoring of the previously established KPIs was suspended, and frequent regular reporting of cashflow and progress on the Recovery Plan was a priority.

As well, Arts Council England receive Management Accounts on a monthly basis, enabling them to closely monitor progress against financial targets throughout the year.

The important continuing investment from Arts Council England enables the undertaking of a range and depth of work and investment in new work, artist development, craft excellence, engagement and access which could not be sustained otherwise.

While most Covid-19 restrictions for audiences had been lifted by the start of the 2021/22 Season, the implications of the pandemic were still playing out in our operations, costs and revenues. Our financial planning anticipated that audiences would not immediately return in the same numbers as before. Around 10 to 15% of our audience is usually made up of international tourists, a sector which had of course been decimated in the pandemic. The UK audience had also changed their habits as a result of working from home and apprehension about Covid-19. Furthermore, we lost performances to the Omicron variant, Storm Eunice and transport strikes. All of this had significant implications for income on a business that runs on tight margins.

Our cinema programme was particularly harshly affected by the pandemic. The global reach of our Live Cinema Season meant that, as the pandemic spread, different areas of the world were subject to different restrictions at different times. In response we were limited to only six broadcasts, as opposed to our usual twelve, which had a consequent impact on income. However, we still managed to broadcast to over 1,050 cinemas around the world and we will return to a full programme in the 2022/23 Season. In addition, our new range of digital streams, which were available to everyone across the globe, proved a huge success.

Looking ahead, we are acutely aware of other financial pressures including a cost of living crisis, the continuing devastating war in Ukraine, the slow return of tourism to London and a challenging Arts Council settlement. We are also making plans for significant long-term investment in the fabric of our stage infrastructure and our building. We believe in the mixed funding model – comprising public and private support, box office, cinema and streaming revenues, and other commercial activities – and we will make the best use of our diversified income sources at a time of ongoing economic uncertainty. We already generate the majority of our own income but strive to find new commercial revenues and examine our assets through a new lens to establish what additional value we can realise while staying committed to our core objectives and mission.

We remain grateful to the help given us by the Culture Recovery Fund and the continuing support of Arts Council England. Having taxpayer support for what we do is a vital link to our wider mission as a key part of the cultural fabric of the nation. We will also continue to work closely with other partners and supporters. Questions of how we collaborate, how we conduct ourselves as a sector leader and how we produce work are intrinsically linked to questions of resources and finance and we continue to endeavour to find the best models for our art and our business.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

As a National Portfolio Organisation (NPO), a grant of £24.5m (*52 week period ended 29 August 2021: £24.5m*) was received from Arts Council England, representing 20% of total (unrestricted) income (*52 week period ended 29 August 2021: 36%*). The Royal Opera House is one of only four National Portfolio Organisations to be awarded funding from Arts Council England to lead the Bridge programme for Bedford Borough, Central Bedfordshire, Luton, Hertfordshire, Essex, Thurrock, Southend, Dartford, Gravesham, Swale and Medway. Funding of £0.7m was received in the current year (*52 week period ended 29 August 2021: £0.7m*).

Excluding income within the Endowment, fundraising income targets of £31m (*52 week period ended 29 August 2021: £19m*) were set against fundraising activities in the development department for the period and these targets were exceeded with funds raised of £36.8m (*52 week period ended 29 August 2021: £36.7m*).

Our trading subsidiary, Royal Opera House Enterprises Limited, recorded an operating profit before tax of £2.8m for the 52-week period ended 28 August 2022 (52 week period ended 29 August 2021: £1.2m). This increase in operating profit is attributable to the build back of the business from the impact of Covid-19, with figures back more in line with results pre-Covid-19.

The overall result for the group Unrestricted general funds was no change from the previous year on the Unrestricted general funds of £4.2m *(52 week period ended 29 August 2021: £0.3m decrease)* after transfers from Restricted funds of £1.6m *(52 week period ended 29 August 2021: £1.7m)* and net transfers from Unrestricted Designated funds of £0.9m *(52 week period ended 29 August 2021: net transfers to Unrestricted Designated Funds of £1.7m).* Refer to Note 17 on pages 70-71 for details.

At 28 August 2022 unrestricted funds were £212.9m *(29 August 2021: £213.5m)* before Unrestricted pension reserve deficit of £14.2m *(29 August 2021: £30.1m).* There is £208.4m *(29 August 2021: £209.0m)* held in Unrestricted Designated funds and a further £0.4m *(29 August 2021: £0.4m)* held in Unrestricted Revaluation funds.

At the end of the period Restricted fund balances were £11.2m *(29 August 2021: £12.3m).* For further details refer to Note 27. At the end of period the Endowment fund balance of £44.8m *(29 August 2021: £48.7m)* is represented by restricted capital assets of the Royal Opera House Endowment Fund 2000.

The Royal Opera House group held positive cash balances throughout the period. Unrestricted cash (including unrestricted cash with a notice period of more than 3 months) held at the period end was £79.5m *(29 August 2021: £68.8m),* which included advance bookings held at the period end of £10.8m *(29 August 2021: £8.6m)*. The overall increase in cash balances, including those with a notice period of 6 months, was a result of the return to pre-Covid-19 business levels and the impact on working capital.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Reserves

The Trustees regularly review reserve levels, and designated the following amounts at the period end:

- Fixed Asset and Heritage Asset funds, of £172.6m and £5.6m respectively, equivalent to the tangible and intangible fixed assets owned by the charity, plus the current anticipated excess of capital expenditure over depreciation in the next season.
- Designated Future Project Fund of £30.2m. This fund comprises specific amounts put aside for future activity, which includes a fund of £2.4m *(29 August 2021: £5.6m)* toward the planned investment in digital.

The level of free reserves (represented by the Unrestricted General fund) at 28 August 2022 of £4.2m *(52 week period ended 29 August 2021: £4.2m)* equates to only 3.3% of current unrestricted incoming resources. The Trustees agree that a higher level of reserves is desirable in order to protect against reductions in box office and fundraising income, economic uncertainties, unforeseen events and further reductions in public funding. The Trustees review the level of free reserves annually, and considering the financial model of the charity, core expenditure and levels of cash held in advanced bookings, have determined that a target level of free reserves of £10m is appropriate, and this has been the target for the last several years. Trustees acknowledge, however, that any increase to free reserves over the next two to three years will be unlikely due to the impact of the challenging economic environment, including inflation and energy costs, on the business model and to the identified needs for the programme of major capital works and digital investments. As the current financial strategy is to budget for a minimum £4m contingency in annual budgets while building designated funds for specific, future, longer term planning, the Trustees will also consider increases to the free reserves when possible in order to make progress towards the £10m target.

The total funds held at 28 August 2022 was £254.7m *(29 August 2021: £244.4m).* The designated Future Projects Fund (£30.2m) is likely to be spent in the next two years, in line with our forward planning assumptions.

Levels of unrestricted funds, both current and forecast, are monitored closely to ensure they remain at an adequate level in order to provide financial flexibility and a buffer against operational risk.

Pension scheme

In line with the requirements of FRS 102 S28 'Employee Benefits', the Royal Opera House defined benefit Pension Scheme liability and related costs are included in these financial statements. Within the Statement of Financial Activities employer contributions as determined by the actuary are recorded as an operating cost in the unrestricted general fund. The charge to the Statement of Financial Activities is £0.7m less than contributions (52 week period ended 29 August 2021: £0.9m less than contributions), in accordance with FRS 102 (refer to note 31 of the financial statements). The actuarial gain, net of actual return less interests on plan assets for the period was £15.2m (52 week period ended 29 August 2021: £5.3m). The net pension liability at the period end was £14.2m (29 August 2021: £30.1m), with the improvement from the prior period driven by the significant rise in the discount rate in excess of returns on scheme assets, all as part of the actuarial assumptions. It is important to note that the liability represented by this value (being based upon actuarial assumptions) will alter in response to changes to the future funding and structure of the pension scheme (as well as to economic and investment market conditions) and does not crystallise in the short or medium term.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest funds not immediately required for its purposes in such investments, securities or property as may be considered appropriate by the Trustees. Aside from balances held with the Royal Opera House bankers, Coutts & Co. monies are only invested in funds that are regulated by the FCA.

The Trustees of the Royal Opera House Endowment Fund 2000 have no restrictions on their investment powers and are permitted to invest and reinvest the Trust Fund, providing the objectives and purposes of the charitable fund are met, and subject to such consents as may be required by law.

The Trustees reviewed and agreed an Investment Policy in line with the Charities Commission Guidance CC14. This is not shown in full in the accounts but a summary of the key investment objectives 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.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

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

In line with more general market performance, the investment managers, Stonehage Fleming Investment Management Limited, Troy Asset Management Limited and Newton Investment Management Limited, have not achieved the benchmark for this year. 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 Risk Management

The following statements summarise the Board's policy in managing identified forms of financial risk.

Credit Risk: Risk on amounts owed to the charity by its customers is low as payment for ticket sales and operations through the trading subsidiary are mostly settled at the point of purchase.

Price risk: Payroll costs represent 41% of total expenditure for the Royal Opera House and higher levels of inflation represent a risk also as 20% of total income for the Royal Opera House group comes from Arts Council England, which will reduce from April 2023. The Royal Opera House has freedom over its ticket pricing, and box office income represents 31% of revenue. The pricing strategy aims to hold the lower ticket prices at an accessible level, while maximising box office income.

Cash flow risk: Excluding Endowment assets, surplus funds are placed on short-term deposits with major clearing banks and CCLA. Short-term deposits are those with a term no greater than six months.

Liquidity risk: The Royal Opera House manages cash flow to ensure that sufficient levels are held as operating capital. The Royal Opera House took out a 20 year loan during the year for £21.7m from the Government's Culture Recovery Fund to provide additional liquidity due to the impact of Covid-19 (see Note 26 of the financial statements for further details). There is one other loan with an outstanding loan balance for the year ended 28 August 2022 of £1.3m. Risk on repayment of loans is low as the annual loan payment due in 2022/23 is less than 0.1% of total income.

Going Concern

The Trustees must satisfy themselves as to the Royal Opera House's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Board of Trustees have considered business plans and budgets based on an artistic programme of activity to August 2024, supplemented by outline plans in other areas. These plans show the impact of the challenges ahead given the reduction in ACE funding from April 2023, the external environment and the impact of inflation and energy costs in the Board's assessment of going concern if they are taken into consideration whether the Royal Opera House has adequate resources to meet its obligations as they fall due in and beyond the 12 months from the date of approval of these financial statements.

Underlying assumptions in the plans and budgets are that there will not be further lockdowns or social distancing going forwards, however, we do anticipate a medium-term negative impact on levels of box office income as audience confidence rebuilds. In assessing going concern, the Board also considered financial risk should further closures occur, the impact of any shortfall in fundraising and trading income, and the impact of increasing inflation on costs. Whilst the Trustees are confident that these risks have adequate mitigation to ensure the ROH remains a going concern, the modelling shows that there is sufficient liquidity to August 2024 excluding mitigations.

After consideration of the scenarios, the Trustees consider that the Royal Opera House (Group and Parent Charitable Company) has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason, the financial statements of the Group and Parent Charitable Company have been prepared on a going concern basis.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

2021/22: Risk Management approach

During the period the Trustees have operated a risk management strategy which comprises:

- Review and assessment by the full Board of Trustees of the risks which the charity may face and the approach to risk management.
- The establishment of systems and procedures to mitigate those risks identified.
- Detailed review of the overall risk landscape by the Audit and Risk Committee, including Strategic Risk, Health & Safety, the Major Incident Plan and Technology and Cyber Security matters.
- Procedures designed to minimise any potential impact on the Charity should any of those risks materialise.

The governance and management of risk is divided between **Strategic risk** and **Operational risk.**

Strategic risk is reviewed by the Executive at key meetings regularly throughout the year and is linked to the ROH Plan. The Executive considers each risk against its agreed risk appetite and reviews existing mitigations and planned actions. Operational risk is reviewed across specific projects and monitored regularly throughout the year included Health & Safety, Capital & Estates, Planning & Scheduling, major projects including Main Stage Flying System and Digital Stage, as well as an extensive risk assessment regime throughout the organisation. As a result of the impact of Covid-19, we have reviewed the structure and make-up of the Operational Risk Group, which operates under clear terms of reference, to widen participation, improve internal risk discussions and awareness and to provide a comprehensive risk register map for the organisation, and this updated group was in place from early 2023.

Strategic Risks

Our box office is recovering following the end of the Covid-19 pandemic, but we have further challenges to navigate. Our Arts Council England grant suffered a 9% cash cut equating to circa 20% in real terms; inflation at over 10% is impacting utility costs (likely over £6m this year, up from £1.5m) as well as costs of goods, materials and services which, amongst other things is increasing the costs associated with our critical infrastructure upgrades; and there is significant upward pressure on wages.

The organisation continues to monitor and take necessary actions to ensure we come through this period with sufficient reserve levels to operate.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Other strategic risks are listed below:

1	Cost Control	High levels of inflation causing two main risks: **1. Pressure on salaries:** - Existing staff (we have settled with two unions for 2022/23 season and expect there will be further pressure next year) - Recruitment in a tight labour market (especially for particular roles, e.g., IT) - Retention – risk of losing staff to higher-paying sectors **2. Increasing costs of equipment and consultant fees:** - Risk of cost increases as a result of increases to raw materials and components Mitigated by: **1. Staff recruitment, retention and salary pressures:** - Strengthened narrative about benefits of working at ROH - Better training to retain staff - Effective communication to staff about our financial challenges to manage expectations **2. Capital and other costs:** - An overall framework and governance for assessing risk, balancing priorities and implementing change programmes, including investment needs supported by business cases and approvals - Three-year forward budget planning, additional project management resource - Robust procurement policies and controls - Focus on fundraising including from new prospects
2	Capacity to deliver ROH programme	Failure to marry our increased organisational and artistic objectives within our organisational and people capacity. Mitigated by: 1. Alignment of plans and ambitions with rigorous planning processes, integrated change planning and continuous reviews of systems and processes to ensure fit for purpose working practices 2. Overlay of capital projects to BAU managed by separate team with consultation and risk assessment and planned for summer maintenance periods and overnights. Planned mitigations for equipment and infrastructure whilst capital projects are in planning.
3	Access to creative talent	Inability to attract and work with exceptional talent to deliver a high-quality programme owing to insufficient/inadequate training pathways, inability to pay competitive fees and salaries, post-Brexit visa regime, reputational concerns or reduction in range of repertory. Mitigated by a range of talent development initiatives, creative and workforce diversity strategies, fair pay, advocacy on employment issues and a multi-layered staff engagement programme.
4	Reputation	Perceived drop in innovation investment, artistic quality and access to talent, or association with an individual or organisation whose reputation becomes damaged, impacting all income streams and our ability to attract talent. Mitigated by balanced programming, clear processes for sharing production concepts, advocacy activity, sustainability policy, ROH Values and Behaviours and updated donations acceptance policy.
5	Earned Income	Earned income does not increase sufficiently to make a significant contribution to balancing the books in the context of reduced income from ACE, cost increases as above and potential donor fatigue.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

		Mitigated by: 1. Bridging the Gap strategy including: - **A pricing review** – to increase box office yield, but with a continued high percentage of affordable tickets, in line with our access and audience diversity aims - **Adjustment to our programme mix** – assessing the benefit of increasing the number of summer ballet performances - **Brand and commercial** – new focus on brand exploitation and commercial: new Business Director in post with a strengthened team and utilising external support and Board - **Cost reduction** – driven by investment in the Digital Transformation Programme 2. A new development strategy and delivery plan with strengthened departmental teams and focus on retaining existing donors and prospecting for new ones (opportunities as set out in the strategy are the *Ring*, L&P and capital) -
6	Health, safety and physical security	The risks inherent in theatre production and presentation (e.g., working at height, noise, chemical, manual handling), combined with the challenges of operating a busy public venue and the potential for a terrorist attack on London. Mitigated by a robust management and governance structure for safeguarding, safety issues and reporting, staff training and awareness raising, investigation of near misses and incidents, and drawing on specialist external support as required.
7	Equipment failure	Cancellation of performance or loss of customer data or business information as a result of systems/equipment failures or cyber-attack. Mitigated by a robust testing and monitoring regime, training, contingency plans and required investments for transformation and/or resilience supported by external expertise as required. Mitigations in place and regularly assessed for risk of stage equipment failures.
8	Public investment via Arts Council England (ACE)	The cut to our ACE grant for financial years 2023/24 to 2025/26 (9% cash which equates to circa 20% in real terms). Poses two main risks: 1. Insufficient income to meet our current needs (including capital and income / costs gap) 2. Impacts on the UK opera ecology overall – particular risk is the talent pipeline Mitigated by: 1. New advocacy strategy and collaborating with peer organisations to strengthen the messaging to the Government and Opposition 2. As above re increasing other income (fundraising and brand / commercial) plus turning streaming from a cost to revenue generating

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Trustees' duty to promote the success of the Charity – Section 172 Statement

Section 172 of the Companies Act 2006 requires the trustees to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes.

The Companies Act 2006 requires The Royal Opera House, as a large company, to report on how trustees have complied with Section 172 and other linked matters.

Section 172: the Trustees must promote the success of the charity to achieve its charitable purposes by having regard to:

(A) The likely consequences of any decision long term

The current ROH Plan approved by the Trustees sets out four priorities which are aligned with the investment principles as set out by ACE and the actions and performance indicators for each over the period 2018-22. These four principles are:

- Inclusivity and Relevance
- Dynamism
- Ambition and Quality
- Environmental Responsibility

All the decisions made by Trustees are predicated on the desire to achieve these long term aims. The needs of all our beneficiaries: our current and future audiences as well as the many participants in our educational programmes as well as our other key stakeholders: our staff, our freelancers, the Arts Council England and donors, are vital to the success of our strategic plans.

Trustees also keep under review the charity's principal risks and opportunities and ensure that our plans can adapt to respond to changes as required. These are set out on pages 25-27 of this report.

Following the pandemic Trustees have been keen to ensure that the ROH has an effective plan to enable it to move forward, including the launch of a digital platform – ROH Stream – and a re-examination of our commercial strategy. A renewed ROH plan will be considered by Trustees and approved in 2023.

(B) The interests of the Charity's staff

The Trustees recognise that it is its staff and artists that make the Royal Opera House such a remarkable institution. Considering and protecting their interests is crucial to the success of the ROH and our decision-making processes takes this into account.

Three trade unions are recognised with whom we work closely and consult.

(C) The need to foster the charity's business relationships with suppliers, customers and others.

It is important for the ROH to ensure that we engage with our customers whether they are audiences in our theatre or the participants in our Learning and Participation programmes or simply those who visit the ROH. The Executive team regularly receives information on the audience feedback as well as detailed feedback from teachers and other educational participants. The ROH also communicates with our audience and those who are part of our membership programmes with targeted information according to their preferences whilst at the same time being mindful of data privacy concerns.

Our procurement function ensures that we deal with suppliers fairly and in a professional manner. We also develop strong working relationships with key suppliers who are able to work with us to best support and maintain our unique building.

(D) The impact of the charity's operations on the community and the environment

Trustees and Management recognise that sustainability and the environment are at the centre of our activities and currently we are continuing work on a sustainability plan being implemented at all levels of the ROH. This is set out on pages 16-17. The ROH also works with both our local community but also communities elsewhere in the UK. We have long term partnerships in Thurrock as well as in Doncaster where we aim to foster community engagement with our artforms.

(E) The desirability of the charity maintaining a reputation for high standards of business conduct

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

The Trustees recognise both that the ROH's reputation is critical both to its success and that we also have an obligation to maintain the highest standards given our position in the UK arts and charity sectors. The Trustees formally adopted the Charity Governance Code in July 2021 a review was conducted of its activities against the Code in July 2022.

There are a number of policies in place to promote corporate responsibility as well as ethical behaviour including anti-fraud and bribery, modern slavery, safeguarding, conflicts of interest, bullying and harassment, as well as donation and income acceptance. Summaries of all these policies are available on the ROH website and full versions are available on request.

The ROH Values and Behaviours continue to underpin our recruitment and induction processes as well as how we conduct our activities on and off stage. Our procurement strategy embeds ethical standards in our supply chain as well and health and safety and safeguarding compliance.

(F) How trustees have engaged with other stakeholder, e.g. service users, beneficiaries, funders and the wider community

We have outlined elsewhere in the report and in this statement how we engage with suppliers, staff, the wider community, customers and other users.

Our donors are a critical part of our success and this has been especially true in the current climate of rising costs including our energy costs and the decrease in our government grant. We continue to actively engage with all our donors at all levels. We receive significant funding from the Arts Council England (ACE) and it is an essential part of our financial wellbeing. We have a strong working relationship with ACE and keep them regularly informed on all aspects of our activities including having a representative attend some Board meetings.

(G) The need to act fairly as between members of the Charity and how directors/trustees have engaged with staff and taken account of their interests

We want to make sure we are able to attract and develop talented people who bring more, precisely because of the breadth of their different backgrounds, experiences, cultures and outlooks.

Recruiting and working with those talented people is just part of the work. We know that we need to create an environment where everyone believes they belong and can do their best work. Achieving inclusion requires inclusive leaders with the ability and desire to continually seek feedback, really listen and then act to establish a culture where difference is genuinely valued. We commit to regularly measuring our progress, holding our leadership team accountable for achieving our goals but we acknowledge that we must learn as we go.

Equality, Diversity and Inclusion

Our EDI commitments fall under six themes: Representation, Talent Pipelines, Individual Voices, Authenticity, Access and Governance.

- REPRESENTATION - Our stages and events will better reflect and celebrate a diversity of communities and experiences
- AUTHENTICITY - We will engage more proactively with communities to ensure that our portrayals of diverse cultures are respectful and authentic
- TALENT PIPELINES - We will do more to attract and nurture wider talent pools, particularly in those areas of our work where gender, ethnic diversity and disability are currently under-represented
- INDIVIDUAL VOICES - We will respect everyone as individuals and ensure equal access to the support needed for people to perform at their best. We will be sensitive to different lived experiences and will seek and listen to different cultural perspectives
- ACCESS - We will do more to improve the access to and visibility of our work to communities who have historically had less engagement with our artforms and remove or reduce any practical barriers to access for our audiences and workforce
- GOVERNANCE - We will do more to develop the skills required to lead our EDI work with cultural competence and confidence, and ensure we have effective policies and procedures in place to support our values and behaviours:

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Monitoring Progress

The Royal Opera House Board of Trustees and Executive Team are responsible for the delivery of this strategy. Assessment of our success will be data driven, and high-level KPIs for EDI have been embedded in the ROH Business Plan. Transparency with staff on our plans and progress is key. We will consult with the Staff Diversity and Inclusion Network before this strategy and future updates are finalised and will report back formally to staff twice a Season. This strategy was formally considered by the Board in October 2022 and approved.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

ACKNOWLEDGEMENTS

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

In the 2021/22 Season we worked with a large number of organisations and we would like to thank them all for their partnership:

AF Dance
Alessandra Ferri
American Ballet Theatre
Arts Council England
Ballet Black
BBC
British Council
Britten Pears Arts
Canadian Opera Company
Carsten Jung
Cast Theatre
Centre for the Less Good Ideas
City of London Sinfonia
Curated Place
Crystal Pite
Doncaster Council
Doncaster Creates
Enoa (European Network of Opera Academies)
Europalia Arts Festival
Farnham Maltings
Frederick Ashton Foundation
Guildhall School of Music and Drama
Hackney Empire
High House Production Park
InterArte
Irish National Opera
Joseph Toonga
Kyle Abraham
Little Bulb Theatre
Los Angeles Philharmonic
Music Theatre Wales
National Opera Studio
New English Ballet Theatre
Northern Ballet
Opéra National de Paris
Paris Opera Ballet
Picturehouse Cinemas
Queensland Ballet
Rambert School
Ravenna Festival
Roundhouse
Screen Industries Research and Training Centre (SIRT)
Sheridan College's Canadian Music Theatre Project
Shubbak Festival
St. Pancras International
Teatro Massimo, Palermo
Teatro Real, Madrid
The Australian Ballet
The National Ballet of Canada
The Royal Ballet School
Van Cleef & Arpels
VisualEyes
VocalEyes
Yorke Dance Project
ZooNation: the Kate Prince Company

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

STRUCTURE, GOVERNANCE AND MANAGEMENT

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Directors and Trustees

The directors of the charitable company ('The Royal Opera House' or 'the charity') are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who held office during the period and since period end were as follows:

Sir Lloyd Dorfman CVO CBE (appointed as Chair 6 July 2022)
Sir Simon Robey (retired as Chair 6 July 2022; retired as Director 28 August 2022)
Lady Heywood (retired as Deputy Chair 28 August 2022)
Zeinab Badawi
Caroline Britton (appointed 14 December 2021)
Lord Browne of Madingley
Timothy Bunting
Kirsty Cooper (appointed Senior Independent Director 4 October 2022)
Susan Hoyle OBE (retired as Senior Independent Director 4 October 2022)
Lisa Burger CBE (appointed 4 October 2022)
Dr Genevieve Davies (retired 1 September 2021)
Dame Vivien Duffield (retired 1 September 2022)
Vanessa Kingori OBE (appointed 4 October 2022)
Sir Nicholas Hytner (retired 1 September 2021)
Sir John Kingman (retired 1 September 2021)
Julian Metherell (retired 28 August 2022)
Paul Morrell OBE
Indhu Rubasingham MBE
Janis Susskind OBE (appointed 4 October 2022)
Christopher Townsend CBE
Michael Ward (appointed 4 October 2022)
Roger Wright CBE (retired 28 August 2022)
Danny Wyler
Sir Alexander Young KCMG (appointed 4 October 2022)

Chief Executive

Alex Beard CBE

Company Secretary

Leah Hurst

Governing Document

The Royal Opera House Covent Garden Foundation is a company limited by guarantee (company number: 00480523) governed by its Memorandum and Articles of Association, which were last amended on 5 October 2021. It is registered as a charity at the Charity Commission (charity number: 211775).

Charitable objects

Our charitable objects, as stated in the Royal Opera House governing document, are:

> 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 achievement of our aims as listed in the pages above (p11-p19) enable us to fulfil our charitable objects and therefore our legal purpose.

Public benefit

The Trustees refer to the Charity Commission's general guidance on public benefit when shaping and reviewing the Charity's aims, objectives and future strategies. In setting the level of ticket prices, charges and concessions, and in developing digital and broadcast distribution, the Trustees give careful consideration to the accessibility of the Royal Opera House to those on low incomes. As outlined in this report, this is addressed through maintaining a wide range of ticket prices, as well as through several ticket subsidy schemes, free events, digital and broadcast activity and an extensive learning and participation programme.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Appointment of Trustees

The Board of Trustees are responsible for the appointment of new trustees, who are appointed for an initial term of four years. The Nominations and Remuneration Committee has delegated authority to recruit Trustees who are formally elected at Board meetings and ratified at the next following Annual General Meeting of the Company. On the expiry of such initial term they may be re-appointed for additional terms expiring on or before the financial year end following either the second or fourth anniversary of the date of re-appointment. No Trustee shall be appointed for a term exceeding twelve years. The Trustees appoint a Chair for a term of five years or less and on expiry of such term he or she may be re-appointed for a second term of three years or fewer by approval of the Trustees provided that on expiry of such second term he or she shall, unless the Trustees otherwise exceptionally determine, retire from office. The Nominations and Remuneration Committee reviews regularly the structure, size, composition, diversity and succession needs of the Board, ensuring that the Board has the required blend of skills and experience and its remit is to identify, assess and formally recommend to the Board candidates for appointment as Trustees.

Trustee Induction and training

New Trustees undergo an induction session with the Company Secretary to brief them on their obligations under charity and company law, the contents of the Memorandum and Articles of Association, the board manual and the committee and decision-making processes. During the induction new Trustees are also introduced to key staff and other Trustees.

Organisation

The direction and control of the Royal Opera House is determined by the Board of Trustees, which meets at least six times a year. The role of the Board is to direct the Royal Opera House strategy and to ensure that the Royal Opera House is on the approved strategic course (including artistic strategy) and that it is properly and effectively managed. The following sub-committees of the Board are established (which in the case of Finance and Commercial, Development, Learning and Participation and Digital Strategy, include members who are not Trustees).

Audit and Risk: The committee meets at least three times a year. The committee was chaired by Julian Metherell until 1 July 2022 when Caroline Britton (appointed 8 February 2022) assumed the chair. Other members are Timothy Bunting (appointed 1 September 2022), Kirsty Cooper, Sir Lloyd Dorfman CVO CBE (appointed 7 July 2022), Lady Heywood (retired 28 August 2022), Sir Nicholas Hytner (retired 1 September 2021), Sir John Kingman (retired 1 September 2021), Paul Morrell OBE, Danny Wyler and Sir Alex Younger KCMG (appointed 7 December 2022). Alex Beard, Mindy Kilby (Director of Finance) and Heather Walker (Director of Operations) report to all meetings. The committee is responsible for considering and reviewing matters relating to the control environment, including internal audit, health and safety and risk management, including consideration of matters raised by the external auditors. The committee is responsible for the appointment of the external auditors, meets regularly with them and reviews their performance and independence.

Finance and Commercial (previously known as Finance and Operations): The committee meets five times a year. The committee was chaired by Lady Heywood until 28 August 2022 when Timothy Bunting assumed the chair. Other members are Caroline Britton (appointed 8 February 2022), Lord Browne of Madingley (retired 7 December 2022), Timothy Bunting, Lisa Burger CBE (appointed 7 December 2022), Sir Lloyd Dorfman CVO CBE, Sir Nicholas Hytner (retired 1 September 2021), Dan Ison (appointed 24 May 2022), Sir John Kingman (retired 1 September 2021), Vanessa Kingori OBE (appointed 7 December 2022), Julian Metherell (retired 28 September 2022), Paul Morrell OBE, Michael Ward (appointed 7 December 2022) and Danny Wyler. Alex Beard, Mindy Kilby (Director of Finance) and Heather Walker (Director of Operations) report to all meetings. The committee is responsible for reviewing and assessing the balance, integrity and transparency of financial information, the adequacy of financial planning, budgeting and forecasting, and the Royal Opera House's annual financial statements. It makes recommendations to the Board on major capital expenditure and revenue contracts and on the overall framework for delegated financial authority in the Royal Opera House.

Development: The committee was chaired by Danny Wyler until 7 December 2022 when Sir Lloyd Dorfman CVO CBE assumed the chair. Other members are Timothy Bunting, The Countess of Chichester, Sir Mick Davis (appointed 29 March 2022), Dame Vivien Duffield, Philipp Freise (appointed 4 October 2022), Anthony Gutman (appointed 29 March 2022), Robert Kalff (retired 31 August 2021), Yuanbo Liu (appointed 29 March 2022), Sir Simon Robey (appointed 14 May 2021, retired 6 July 2022), Dame Gail Ronson, Nicole Ronson (appointed 4 October 2022), The Earl of Snowdon, Andrew Walton (retired 31 August 2021) and Danny Wyler. Alex Beard and Amanda Saunders (Director of Development and Enterprises) report to all meetings. The committee supports the Development department in maximising fundraising opportunities and income.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Donation and Income Acceptance: Sir Simon Robey chaired the committee until 6 July 2022 when Sir Lloyd Dorfman CVO CBE assumed the chair. Other members are Zeinab Badawi, Kirsty Cooper, Susan Hoyle OBE (retired 6 July 2022), Danny Wyler and Sir Alex Younger KCMG (appointed 7 December 2022). The committee supports the organisation around the ethical acceptance/rejection of sponsorship, donations and membership. This includes making decisions, recommending referral of those decisions to the Charity Commission where appropriate, assessing the potential impact of those decisions while advising the business communications department with regard to their rationale, advising the main Board on the associated risks, annually reviewing the policy on accepting/rejecting such funds and monitoring compliance with this policy.

Learning and Participation: The committee is chaired by Susan Hoyle OBE. Other members are Alex Beard, Helen Bruckdorfer, Hilary Carty (retired 31 July 2022), Annie Crombie, Dame Vivien Duffield (retired 1 September 2022), Tanya Joseph, Simon Pearson (appointed 5 October 2021), Jonathan Sands, Janis Susskind OBE (appointed 7 December 2022), Sharon Watson (appointed 7 December 2022) and Bridget Whyte. Jillian Barker (Director of Learning and Participation) reports to all meetings. The committee supports the organisation in planning, implementing and monitoring programmes and initiatives focused on learning, participation and widening engagement.

Nominations and Remuneration: Susan Hoyle OBE chaired the committee until 7 July 2022 when Sir Lloyd Dorfman CVO CBE assumed the chair. Other members are Caroline Britton (appointed 1 September 2022), Lord Browne of Madingley (appointed 7 December 2022), Timothy Bunting (appointed 1 September 2022), Dame Vivien Duffield, Lady Heywood (retired 28 August 2022), Susan Hoyle OBE, Sir John Kingman (retired 1 September 2021), Julian Metherell (retired 28 August 2022) and Danny Wyler (retired 7 December 2022). Alex Beard and Dale Haddon also attends these meetings. The committee nominates appointees to the Board and other Senior Executives for approval by the Board. It may co-opt additional members where particular expertise is required and a particular role is under consideration. The committee is also responsible for the continuous review of Board membership to ensure that a proper balance of skills, experience and diversity is maintained. The committee is responsible for reviewing and benchmarking internationally the pay, benefits and total compensation of the Executive Team. The activities of the Royal Opera House are driven by the artistic plans of the Royal Ballet and the Royal Opera, and managed by the Chief Executive with the support of the Executive Team. The Committee consider the Chief Executive, Music Director, Director of the Royal Ballet and Director of Opera as key management personnel responsible for these activities. The Committee conducts an annual review of executive compensation, focussing on survey data from a range of comparable UK and international arts organisations, and also takes into account the annual pay award for all staff. Under the chairmanship of the Senior Independent Director the Nominations and Remuneration Committee will set up a subcommittee to propose and assess candidates for the Chairmanship of the Board.

Business Transformation Group (previously known as Digital Strategy): The committee is chaired by Christopher Townsend CBE. Other members are Timothy Bunting, Sir Lloyd Dorfman CVO CBE (appointed 7 July 2022), Dan Ison (appointed 24 May 2022), Simon McGrath and Sir Simon Robey (retired 6 July 2022). The committee supports the organisation in overseeing the development and implementation of the organisation's strategy for digital content and communications.

Executive Team: the day-to-day management is the task of the Royal Opera House Executive

The Trustees appoint the Chief Executive and Music Director. Royal Opera House operations are managed by the Chief Executive with the assistance of an Executive Team comprising:

Alex Beard **CBE**, Chief Executive
Peter Alesbury, Director of Estates and Facilities (from 10 October 2022)
Jillian Barker, Director of Learning and Participation
Heather Baxter, Administrative Director, The Royal Ballet
Mark Dakin, Technical Director (until 31 July 2022)
Dale Haddon, Director of Human Resources
Will Harding, Deputy Director, Production and Planning
Mark Heholt, Head of Policy and Strategic Funding
Leah Hurst, Head of Legal and Business Affairs
Peter Katona, Director of Casting
Koen Kessels, Music Director, The Royal Ballet
Mindy Kilby, Director of Finance
Terry McGrath, Director of Audiences & Media
Oliver Mears, Director of Opera
Kevin O'Hare, Director, The Royal Ballet
Christina Osterby, Commercial Director Audiences & Media (from 01 November 2022)

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Amanda Saunders, Director of Development and Enterprises
Cormac Simms, Administrative Director, The Royal Opera
Laura Stevenson, Renewal Programme Director (until 1 July 2022)
Jane Storie, Business Director
Heather Walker, Director of Operations
James Whitebread, Chief Technology Officer
Emma Wilson, Director of Technical, Production and Costume (from 1 August 2022)

The Chief Executive (assisted by the Executive Team) is responsible for the development and implementation of the strategy and business plans of the Royal Opera House. The Executive Team meets weekly to monitor artistic, operational and financial progress against plans approved by Trustees. It should be noted that where the title 'Director' is used in the above table this is an internal management term only and does not indicate directorship according to the Companies Act definition.

The Royal Opera Company and The Royal Ballet Company are internal divisions of the charity. The Royal Ballet has a Royal Charter dating in its original form from 1956. The Royal Opera House, The Royal Ballet and The Royal Opera Company have the Sovereign's permission to use the word 'Royal' in their titles.

We would also to thank the following for support, advice and encouragement throughout the year:

Ambassadors
The Countess of Chichester
Dame Gail Ronson DBE

The Board of the Royal Opera House Endowment Fund
Dame Vivien Duffield, Chair
Caroline Britton, Timothy Bunting, Hamish Forsyth, Lady Gavron, Sir Simon Robey, Peter Troughton CVO CBE

Board of Honorary Directors
Sir Simon Robey, Chair (retired 6 July 2022)
Sir Lloyd Dorfman CVO CBE, Chair (appointed 6 July 2022)
The Countess of Chichester, Honorary Vice Chair
Dame Gail Ronson, Honorary Vice Chair

Gregory and Regina Annenberg Weingarten
Lady Ashcroft
Tim Ashley
Mikhail Bakhtiarov
Celia Blakey
Mr & Mrs Anthony Bolton
The BAND Trust
Boodles – Michael Wainwright
John Booth
BP International
The Deborah Loeb Brice Foundation
Tim and Sarah Bunting
John and Susan Burns OBE
Ricki Gail Conway
Dr Genevieve and Mr Peter Davies
Sir Mick and Lady Barbara Davis
Sir Lloyd and Lady Dorfman OBE
Dame Vivien Duffield
Aline Foriel-Destezet
Hamish and Sophie Forsyth
David Fransen
Kenneth and Susan Green
Sandra and Anthony Gutman
Charles and Kaaren Hale
Lady Hamlyn
Jane Hamlyn
Lady Heywood
Dr Catherine Høgel
Charles Holloway
Huo Family Foundation
Alan and Caroline Howard
Aud Jebsen
Doug and Ceri King
Frances Kirsh
Mrs Alfiya Askar Abulkhair and Timur Kuanyshev
Lord and Lady Laidlaw
Rena and Sandro Lavery
Dr Patrick Mueller
Bertrand and Elisabeth Meunier
Marit Mohn
Mrs Susan A Olde OBE
Stefan Sten Olsson
Jette and Alan Parker
Natalie Parker
Melinda and Donald Quintin
Julia and Hans Rausing
Yvonne and Bjarne Rieber
Sir Simon and Lady Robertson
Rolex – Arnaud Boetsch
The Gerald and Gail Ronson Family Foundation
Ruinart – Alexei Rosin
Mrs Lily Safra (deceased July 2022)
Lady Sainsbury of Preston Candover
Kim Samuel
Tina Taylor
Lindsay and Sarah Tomlinson
Van Cleef & Arpels – Geoffroy Medinger
Danny and Lillian Wyler
Anonymous (4)

The Royal Opera House Pension Fund: Richard Soper, Chair

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

REFERENCE AND ADMINISTRATIVE DETAILS

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Charity number

211775

Company number

00480523

PRINCIPAL OFFICE

Royal Opera House
Covent Garden, London,
WC2E 9DD

AUDITORS

Grant Thornton UK LLP 30 Finsbury Square, London, EC2A 1AG

BANKERS

Coutts & Co. 440 Strand, London, WC2R 0QS

INVESTMENT ADVISORS

Stonehage Fleming Investment Management Limited, 15 Suffolk Street, London SW1Y 4HG

Troy Asset Management Limited Brookfield House, 33-34 Davies Street, London W1K 4BP

Newton Investment Management Limited BNY Mellon Centre, 160 Queen Victoria Street, London, EC4V 4LA

ACTUARIES

(to the Royal Opera House Pension Scheme) **Lane Clark & Peacock LLP**

95 Wigmore Street, London, W1U 1DQ

INTERNAL AUDITORS

RSM UK Group LLP

25 Farringdon Street London EC4A 4AB

LOTTERY FUNDED | ARTS COUNCIL ENGLAND
Supported using public funding by ARTS COUNCIL ENGLAND

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Group entities

On 28 August 2022 the group included the charity and:

Royal Opera House Endowment Fund 2000

Royal Opera House Enterprises Limited

ROH Holdings Limited

ROH Developments Limited

The consolidated financial statements include the results of these entities, as detailed in note 2. See note 2 for the principal activities of these entities.

Equality policy/statement

The Royal Opera House has an ongoing commitment to promoting diversity throughout all its work – as an employer, in the art we perform, and in the extent of our audience. We report annually to Arts Council England on our progress against an action plan, which is keenly monitored by the Board of Trustees.

Environmental strategy

It is the ambition of the Royal Opera House to be a leader in environmental sustainability and to act as a catalyst for positive change in this field.

Recognising our global reach and leadership role within the UK arts sector, we embrace our responsibility and obligation to reduce our impact on the environment and we aim to engage with our audiences, staff, suppliers and partners to raise awareness about sustainability issues. It is our belief that reducing our environmental impact will not only have a positive effect on the environment, but will also make our operations more efficient and economical and will enhance our organisational resilience in the long term.

Health and safety

The charity has a health and safety committee comprised of representatives from many departments. All new staff are issued with a health and safety policy document. In addition, under the supervision of the occupational health unit, there are trained first-aiders in all departments. A full report on Health and Safety is considered annually by the Board.

Staff

The charity informs and seeks the views of its staff by means of regular department meetings open to all staff and newsletters. Regular meetings are held with the recognised unions: BECTU (Broadcasting Entertainment Cinematograph and Theatre Union), The Musicians' Union and Equity.

Disabled persons

The charity encourages the employment of disabled persons. It is Board policy to ensure that continued employment is offered, wherever possible, to staff who become temporarily disabled and special arrangements are made for those permanently disabled.

Political and charitable contributions

The charity made no political contributions during the period. No charitable contributions were made during the period, other than as disclosed in Note 9 to the financial statements.

Payment policy

It is the charity's policy to pay suppliers in accordance with agreed credit terms. The Royal Opera House had trade creditors equivalent to 25 days supply at the period end *(52 week period ended 29 August 2021: 20 days).*

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Fundraising statement

Our guiding principle for fundraising is to build secure, long term fundraising support from our Members, encouraging their interest in our charitable work, allowing them to engage with our staff and projects and seeing how their additional gifts help us. Our fundraising materials are written and designed around this principle.

Fundraising activities include targeted direct mail, events and leaflets at promoting donations and bequests, donations through our website, and approaches to Trusts, Foundations, companies and individual benefactors.

Our fundraising is carried out by our in-house fundraising teams and we are a registered member of The Fundraising Regulator. We have procedures in place to ensure our staff and volunteers comply with fundraising standards and regulation; we are not aware of any failure by our staff or volunteers to meet these standards. We are committed to acting promptly if we receive any information indicating we have not met these standards.

In 2021/22 we received 6 general fundraising complaints about our fundraising activity. If complaints are received we respond quickly and ensure corrective action is taken as required. If complaints are received about the suggested donations added to ticket purchases, these are refunded at the point of complaint.

We take our responsibilities on managing our contact data very seriously and we strive to ensure that our policies and procedures around data and processing meet our legal requirements, our high expectations and those of our supporters. As part of the risk-based audit plan and in line with our risk management processes, Internal Audit performs regular reviews of the Fundraising team activities and control environment.

We recognise the need to protect vulnerable people. We ensure comprehensive training is provided to ensure that empathy and respect are demonstrated towards people in vulnerable circumstances and that no donation is sought or gained from someone who may not have the capacity to make an informed and considered decision.

We respect our supporters' privacy and rights to decide how and if we contact them. We make it easy for supporters to choose how they want to hear from us, and if they ask us not to contact them we will not, unless it is a legal or administrative requirement.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Trustees' responsibilities statement

The Trustees (who are also directors of Royal Opera House Covent Garden Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected 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. Under company law 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgements 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 charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Annual Report (incorporating the strategic report) was approved by the Board of Trustees and signed on 28 March 2023.

Sir Lloyd Dorfman

Sir Lloyd Dorfman CVO CBE, Chair

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Independent auditor's report to the members of Royal Opera House Covent Garden Foundation

Opinion

We have audited the financial statements of Royal Opera House Covent Garden Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the 52 week period ended 28 August 2022, which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated Balance Sheet, the Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows 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 group's and parent charitable company's affairs as at 28 August 2022 and of the group's incoming resources and application of resources including, its income and expenditure for the period 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 Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 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 group and parent charitable company 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 group's and the parent charitable company'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 group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company'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 group's and parent charitable company'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 group's and parent 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.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Other information

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report, prepared for the purposes of company law, included in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 42 the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group and the parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

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 group and parent 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 Companies Act 2006 and the Data Protection Act 2018.
- We understood how the group and parent charitable company 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 group and parent charitable company'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
- 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.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

- 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 group and parent charitable company'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 group and parent charitable company'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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

James Bird
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
28 March 2023

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

FINANCIAL STATEMENTS

ROYAL OPERA HOUSE COVENT GARDEN FOUNDATION (LIMITED BY GUARANTEE)

Consolidated financial statements

52 week period ended 28 August 2022

Registered charity number: 211775. Registered company number: 00480523.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Consolidated statement of financial activities

for the 52 week period ended 28 August 2022

	Note	Total Unrestricted Funds	Restricted Funds	Endowment Funds	52 week period ended 28-Aug-22 Total Funds	52 week period ended 29-Aug-21 Total Funds
		£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Charitable activities						
Operation of Royal Opera House (including box office)	3	**51,007**	**-**	**-**	**51,007**	6,619
Grant from Government	5	**-**	**18**	**-**	**18**	10,636
Donations and legacies						
Donations, legacies and similar incoming resources	6	**33,919**	**6,322**	**625**	**40,866**	36,746
Grants from Arts Council England	4	**24,471**	**741**	**-**	**25,212**	25,212
Other trading activities						
Commercial trading income	7	**14,841**	**-**	**-**	**14,841**	4,324
Investments	8	**655**	**88**	**-**	**743**	754
Total income and endowments		**124,893**	**7,169**	**625**	**132,687**	84,291
Expenditure on:						
Charitable activities						
Productions, sales and operations	9	**(110,665)**	**(6,592)**	**(3,774)**	**(121,031)**	(75,314)
Raising Funds						
Generating voluntary income	11	**(4,470)**	**(54)**	**(87)**	**(4,611)**	(3,409)
Commercial activities	12	**(10,706)**	**0**	**-**	**(10,706)**	(2,238)
Restructuring	15	**0**	**-**	**-**	**0**	(691)
Interest payable	16,25	**(567)**	**-**	**-**	**(567)**	(202)
Total expenditure	16	**(126,408)**	**(6,646)**	**(3,861)**	**(136,915)**	(81,854)
Net (loss) / gain on investments	19	**-**	**(8)**	**(640)**	**(648)**	4,462
Net (expenditure) / income		**(1,515)**	**515**	**(3,876)**	**(4,876)**	6,899
Transfers between funds	17	**1,630**	**(1,630)**	**-**	**-**	-
Other recognised gains						
Gain on revaluation of heritage assets	19,23	**-**	**-**	**-**	**-**	156
Actuarial gain on the defined benefit pension scheme	31	**15,196**	**-**	**-**	**15,196**	5,316
Net movement in funds		**15,311**	**(1,115)**	**(3,876)**	**10,320**	12,371
Fund balances brought forward at 29 August 2021		**183,407**	**12,337**	**48,681**	**244,425**	232,054
Fund balances carried forward at 28 August 2022	27	**198,718**	**11,222**	**44,805**	**254,745**	244,425

Amounts relating to incoming resources and resources expended in the current and previous period derive from continuing activities. No significant new operations have been acquired in the period or the previous period.

There is no difference between the results for the period stated above and their historical cost equivalents, except for unrealised gains and losses on investments and heritage assets (see note 19).

Notes from pp. 53-99 form part of the financial statements.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Consolidated income and expenditure account

for the 52 week period ended 28 August 2022

	Note	**52 week period ended**	52 week period ended
		28-Aug-22	29-Aug-21
		Total Income Funds	Total Income Funds
		£'000	£'000
Income			
Charitable activities			
Operation of Royal Opera House (including box office)	*3*	**51,007**	6,619
Government Grant	*5*	**18**	10,636
Donations and legacies			
Donations, legacies and similar incoming resources	*6*	**40,241**	35,668
Grants from Arts Council England	*4*	**25,212**	25,212
Other trading activities			
Commercial trading income	*7*	**14,841**	4,324
Investments	*8*	**743**	754
Total Income		**132,062**	83,213
Expenditure on:			
Charitable activities			
Productions, sales and operations	*9*	**(117,257)**	(75,314)
Raising Funds			
Generating voluntary income	*11*	**(4,524)**	(3,409)
Commercial activities	*12*	**(10,706)**	(2,238)
Restructuring	*15*	**-**	(691)
Interest payable	*16,25*	**(567)**	(202)
Total Expenditure	*16*	**(133,054)**	(81,854)
Net (Expenditure) / Income before taxation		**(992)**	1,359
Taxation	*35*	-	-
Net (Expenditure) / Income after taxation		**(992)**	1,359

The consolidated income and expenditure account is prepared for Companies Act purposes and presents the group's gross income and expenditure. The consolidated statement of financial activities includes the consolidated income and expenditure account along with movements in endowment funds and unrealised gains and losses and actuarial gains and losses on pension liability.

Notes from pp. 53-99 form part of the financial statements.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Consolidated balance sheet

as at 28 August 2022

	Note	Un-Restricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	28 August 2022 Total Funds £'000	29 August 2021 Total Funds £'000
Fixed assets						
Intangible fixed assets	*20*	**1,492**	**-**	**-**	**1,492**	1,327
Tangible fixed assets	*21*	**170,739**	**10,009**	**-**	**180,748**	190,150
Heritage assets	*23*	**6,022**	**-**	**-**	**6,022**	5,760
Investments	*22(a)*	**-**	**-**	**38,426**	**38,426**	39,075
Total fixed assets		**178,253**	**10,009**	**38,426**	**226,688**	236,312
Current assets						
Productions in preparation		**3,567**	**-**	**-**	**3,567**	2,427
Stocks	*24*	**254**	**-**	**-**	**254**	439
Debtors: amounts falling due after more than one year	*25*	**1,105**	**-**	**5,430**	**6,535**	6,660
Debtors: amounts falling due within one year	*25*	**19,661**	**569**	**107**	**20,337**	15,419
Cash at bank and in hand	*32*	**79,523**	**701**	**-**	**80,224**	71,075
		104,110	**1,270**	**5,537**	**110,917**	96,020
Creditors: amounts falling due within one year	*26*	**(47,767)**	**1,235**	**842**	**(45,690)**	(34,766)
Net current assets		**56,343**	**2,505**	**6,379**	**65,227**	61,254
Total assets less current liabilities		**234,596**	**12,514**	**44,805**	**291,915**	297,566
Creditors: amounts falling due after one year	*26*	**(21,700)**	**(1,292)**	**-**	**(22,992)**	(23,023)
Net assets excluding pension liability		**212,896**	**11,222**	**44,805**	**268,923**	274,543
Defined benefit pension scheme liability	*31*	**(14,178)**	**-**	**-**	**(14,178)**	(30,118)
Net assets including pension liability		**198,718**	**11,222**	**44,805**	**254,745**	244,425
Funds						
Unrestricted general funds	*27*	**4,156**	**-**	**-**	**4,156**	4,156
Unrestricted revaluation funds	*27*	**389**	**-**	**-**	**389**	389
Unrestricted designated funds	*27*	**208,351**	**-**	**-**	**208,351**	208,980
Unrestricted funds before pension reserve		**212,896**	**-**	**-**	**212,896**	213,525
Unrestricted pension reserve	*31*	**(14,178)**	**-**	**-**	**(14,178)**	(30,118)
Restricted funds	*27*	**-**	**11,222**	**-**	**11,222**	12,337
Endowment fund	*27*	**-**	**-**	**44,805**	**44,805**	48,681
Total Funds		**198,718**	**11,222**	**44,805**	**254,745**	244,425

These financial statements were approved by the board of Trustees on 28 March 2023 and were signed on its behalf by:

SIR LLOYD DORFMAN CVO CBE — *Trustee* Sir Lloyd Dorfman

CAROLINE BRITTON — *Trustee* Caroline Britton

Notes from pages 53-99 form part of these financial statements.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Parent charitable company balance sheet

as at 28 August 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	28 August 2022 Total Funds £'000	29 August 2021 Total Funds £'000
Fixed assets					
Intangible fixed assets	*20*	**1,492**	**-**	**1,492**	1,327
Tangible fixed assets	*21*	**170,739**	**10,009**	**180,748**	190,150
Heritage assets	*23*	**6,022**	**-**	**6,022**	5,760
Investment in subsidiaries	*22(b)*	**6,676**	**-**	**6,676**	6,676
Total fixed assets		**184,929**	**10,009**	**194,938**	203,913
Current assets					
Productions in preparation		**3,567**	**-**	**3,567**	2,427
Debtors: amounts falling due after more than one year	*25*	**200**	**-**	**200**	400
Debtors: amounts falling due within one year	*25*	**19,018**	**618**	**19,636**	15,579
Cash at bank and in hand		**76,929**	**-**	**76,929**	63,865
		99,714	**618**	**100,332**	82,271
Creditors: amounts falling due within one year	*26*	**(43,753)**	**-**	**(43,753)**	(33,745)
Net current assets		**55,961**	**618**	**56,579**	48,526
Total assets less current liabilities		**240,890**	**10,627**	**251,517**	252,439
Creditors: amounts falling due after one year	*26*	**(21,700)**	**(1,292)**	**(22,992)**	(23,023)
Net assets excluding pension liability		**219,190**	**9,335**	**228,525**	229,416
Defined benefit pension scheme liability	*31*	**(14,178)**	**-**	**(14,178)**	(30,118)
Net assets including pension liability		**205,012**	**9,335**	**214,347**	199,298
Funds					
Unrestricted general funds	*27*	**4,672**	**-**	**4,672**	4,672
Unrestricted revaluation funds	*27*	**389**	**-**	**389**	389
Unrestricted designated funds	*27*	**214,129**	**-**	**214,129**	214,759
Unrestricted funds before pension reserve		**219,190**	**-**	**219,190**	219,820
Unrestricted pension reserve	*31*	**(14,178)**	**-**	**(14,178)**	(30,118)
Restricted funds	*27*	**-**	**9,335**	**9,335**	9,596
Total Charity Funds		**205,012**	**9,335**	**214,347**	199,298

The parent company's loss for the period, before other comprehensive income, was £0.146m (2021: £2.505m gain). After actuarial gain on defined benefit scheme of £15.196m (2021: £5.472m total other recognised gains), the profit for the period was £15.050m (2021: £7.977m).

These financial statements were approved by the board of Trustees on 28 March 2023 and were signed on its behalf by:

SIR LLOYD DORFMAN CVO CBE — *Trustee* Sir Lloyd Dorfman

CAROLINE BRITTON — *Trustee* Caroline Britton

Notes from pages 53-99 form part of these financial statements.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Consolidated statement of cash flows

for the 52 week period ended 28 August 2022

	Note	**52 week period ended**	52 week period ended
		28-Aug-22	29-Aug-21
		£'000	£'000
Cash inflow from operating activities	32(a)	**12,779**	12,809
Cash (outflow) / inflow from investing activities	32(b)	**(3,528)**	12,868
Cash (outflow) / inflow from financing activities	32(c)	**(102)**	21,598
Change in cash and cash equivalents in the reporting period		**9,149**	47,275
Cash and cash equivalents at the beginning of the reporting period		**71,075**	23,800
Cash and cash equivalents at the end of the reporting period		**80,224**	71,075

Notes from pages 53-99 form part of these financial statements.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

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 financial statements:

Basis of preparation

The financial statements have been prepared in accordance with FRS102 : The Financial Reporting Standard applicable in the UK and Republic of Ireland and under the historical cost convention, modified to include the revaluation of investments and heritage assets, and in accordance with 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) and Companies Act 2006. There are no material departures from FRS102.

Comparative figures are shown for the 52 week period ended 29 August 2021.

Going Concern

The Trustees must satisfy themselves as to the Royal Opera House's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Board of Trustees have considered business plans and budgets based on an artistic programme of activity to August 2024, supplemented by outline plans in other areas. These plans show the impact of the challenges ahead given the reduction in ACE funding from April 2023, the external environment and the impact of inflation and energy costs in the Board's assessment of going concern if they are taken into consideration whether the Royal Opera House has adequate resources to meet its obligations as they fall due in and beyond the 12 months from the date of approval of these financial statements.

Underlying assumptions in the plans and budgets are that there will not be further lockdowns or social distancing going forwards, however, we do anticipate a long-term negative impact on levels of box office income. In assessing going concern, the Board also considered financial risk should further closures occur, the impact of any shortfall in fundraising and trading income, and the impact of increasing inflation on costs. Whilst the Trustees are confident that these risks have adequate mitigation to ensure the ROH remains a going concern, the modelling shows that there is sufficient liquidity to August 2024 excluding mitigations.

After consideration of the scenarios, the Trustees consider that the Royal Opera House (Group and Parent Charitable Company) has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason, the financial statements of the Group and Parent Charitable Company have been prepared on a going concern basis.

Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of the charity (Royal Opera House Covent Garden Foundation (Limited by Guarantee), incorporated in the United Kingdom with registered address and principal address of Royal Opera House, Covent Garden, London WC2E 9DD) and its subsidiaries as set out in note 22(b). All subsidiary results are presented for their statutory financial period, which falls within three months of the year end of the charity. The results of the ROH Holdings Limited Group and Royal Opera House Enterprises Limited (Company Number 04112266) have been included in the consolidated statement of financial activities throughout the period. ROH Holdings Limited (Company Number 02580395) is the holding company of ROH Developments Limited (Company Number 02580400). In the charity's financial statements, the investment in subsidiary undertakings is stated at cost.

The Royal Opera House Endowment Fund 2000 (Charity Registration Number 1089928) has also been consolidated in full throughout the period. Since its inception the Fund has been able to make grants (directly or indirectly) for the benefit of the Royal Opera House. The extent to which the Royal Opera House benefits from the Royal Opera House Endowment Fund 2000 and the extent of grants and consideration of grants to other bodies has been reviewed annually by the Trustees since its creation. Since the beginning of the period ended 25 March 2007, the Trustees have considered it appropriate to consolidate the Royal Opera House Endowment Fund 2000 into the Royal Opera House Covent Garden Foundation Group (formerly the Royal

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Opera House Covent Garden Limited Group). In the Trustees' view, Royal Opera House Covent Garden Foundation has control in that it actually exercises dominant influence over the Royal Opera House Endowment Fund 2000, through influencing the operating and financial policies for the benefit of the ROH and both entities are managed on a unified basis. Also, the objects of Royal Opera House Endowment Fund 2000 are substantially confined to the benefit of Royal Opera House Covent Garden Foundation.

A separate Statement of Financial Activities, or income and expenditure account, has not been presented for the charity in accordance with Section 408 of the Companies Act 2006. The income and expenditure of the charity are detailed in note 27. A separate cash flow statement has not been presented for the charity in accordance with FRS 102 section 1.12(b).

Public Benefit Entity

The Royal Opera House Covent Garden Foundation (Limited by Guarantee) is a Public Benefit Entity under FRS102.

Significant judgements and key sources of estimation uncertainty

Management have exercised their judgement in the following areas:

Assessing the useful lives of tangible fixed assets (see **Tangible fixed assets and depreciation** below) as well as any impairment provision required for those assets. See note 21 for carrying values for the current and prior periods.

The valuation method of heritage assets. See **Heritage assets** below and note 23 for more details and for carrying values for the current and prior periods.

The decision to include ROH Endowment Fund 2000 in the Group Consolidation. See **Basis of consolidation** above.

In addition, the pension actuarial assumptions (see **Pension Costs** below and note 31) are areas of significant judgement.

That the rate payable on the intragroup loan payable from Royal Opera House Enterprises Limited to Royal Opera House Covent Garden Foundation Limited a commercial rate of interest and that, given the decision to continue not to demand immediate payment, that the long term portion of the loan continue to be disclosed in **Debtors: amounts due after more than one year** (see note 25).

Management have used estimations in the following areas:

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 25 for carrying values for the current and prior periods.

In addition, the valuation of Investment in Programming assets (see **Intangible Fixed Assets** below and note 20) is an area of significant judgement and estimation.

Functional Currency

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

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Income

Box office and other income from the operation of the Royal Opera House is stated net of Value Added Tax and consists primarily of ticket sales together with sales of other goods and services. Revenue from ticket sales is recognised on the night of the performance.

Membership income received is recognised on a time-apportioned basis over the period to which the membership relates.

Grants and donations are 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.

Legacies are accounted for when the receipt is probable, there is evidence of entitlement and can be measured reliably. Entitlement is assessed using conditions as set out in the will of the deceased legacy owner.

Sponsorship income represents income from commercial organisations in support of specific activities. Income is recognised at the date of the event which is the point of delivery for goods or services.

Co-production income represents income from other theatre companies as a contribution towards the costs of delivering a new Opera or Ballet production. Income is recognised at the date of the first performance of the production.

Grants from Arts Council England are recognised on entitlement and when their receipt is probable.

Commercial trading income and other income is recognised at the point of delivery of goods or services.

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.

Amounts due to the Royal Opera House in respect of the Theatre Tax Credit are included in the financial year to which the claim relates. These amounts are recognised in income, rather than as a tax credit or recovery of expenditure, as the intention and nature of the Theatre Tax Credit is akin to government grant income.

Payment from a trading subsidiary under Gift Aid

Royal Opera House Enterprises Limited has adopted a policy of paying all its taxable profits to its parent charity, Royal Opera House Covent Garden Foundation, under Gift Aid. These gift aid payments are recognised in Royal Opera House Enterprises Limited as distributions through equity in the financial period in which the profits arise, under the terms of the Deed of Covenant between Royal Opera House Enterprises Limited and Royal Opera House Covent Garden Foundation.

The Royal Opera House Covent Garden Foundation recognises the income in the period in which the profits of the subsidiary arise.

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 Charity. Assets are recognised only when it is probable that future economic benefits will flow to the Charity 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.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

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 notes 30(b) and 30(c).

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.

Fund accounting

Unrestricted funds are those that can be used in accordance with the charitable objectives at the discretion of the Trustees and include designated funds, representing unrestricted funds which have been earmarked for particular purposes.

Restricted funds are to be used in accordance with charitable objects and specific restrictions placed by the donor. Restricted funds have been further subdivided into restricted income funds and endowment funds. Restricted income funds are expendable at the discretion of the Trustees on specific purposes as required by donors.

Endowment funds represent those assets that are required to be invested to produce income to meet expenditure, either as directed by the endowment or for general purposes.

A transfer is made between restricted capital funds, representing tangible fixed assets required to be held for restricted purposes, and unrestricted funds to match depreciation charged on those tangible fixed assets.

Cash at bank and in hand

Cash at bank and in hand 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. These include deposits with more than 24 hours' notice to access. Any cash deposits at institutions with a notice period of longer than three months are separately disclosed under Short term investments: Deposits.

Short term investments: Deposits

Cash deposits with notice periods of more than three months are separately disclosed on the balance sheet and included in investing activities for the purposes of the cash flow statement. These have a maturity date of less than one year and are held for investment purposes rather than to meet short-term cash commitments as they fall due.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Tangible fixed assets costing less than £1,500 are not capitalised and are expensed through the income and expenditure account. Depreciation is provided at annual rates on a straight-line basis to write off the cost of tangible fixed assets over their estimated useful lives.

The principal rates used are as follows:

Freehold land and buildings	1 - 10%
Equipment and vehicles	2 - 33%

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Stage, production and technical equipment	2 - 20%
Other equipment	2 - 25%
Computer hardware	33%
Motor vehicles	25%

Assets in course of construction are transferred to functional tangible fixed asset categories when the asset is ready for use and depreciated thereafter.

Heritage assets

The Royal Opera House maintains the following types of heritage assets:

- Fine art
- Costumes and accessories
- Other collections

Heritage assets are carried at fair value. Fair value of the fine art collection is based on retail replacement cost. Management have made reference to the latest available external valuations in forming their assessment of period end fair value. Gains and losses on revaluation are recognised through 'Other recognised gains' in the Statement of Financial Activities.

The Royal Opera House only recognises new acquisitions on the Balance Sheet where the value of these acquisitions is greater than £10,000. Purchases under £10,000 are recognised as an expense in the income and expenditure account in the period they were incurred.

Outside of those assets recognised on the balance sheet, there is an extensive collection of other items that are not valued and not included on the balance sheet. These include, but are not limited to, costumes, accessories, music scores and the audio visual collection. Before embarking on a comprehensive valuation, these assets would need to be fully catalogued, and given the extent of the items this would be a considerable and lengthy task. Also, due to the uniqueness of the majority of these assets, there is no comparable market value.

Expenditure which is required to preserve or prevent further deterioration of individual collection items is recognised in the income and expenditure account when it is incurred. The Collections department has a rolling programme of review and restoration and the budget put aside for this on an annual basis is £15,000.

Investments

Investments, excluding investments in subsidiaries, are shown at fair value as at the balance sheet date. 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 the 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 the asset or liability.

Realised and unrealised gains on investments are recognised in the income and expenditure account. Investments in subsidiaries are recorded at cost in the individual balance sheet of the charity.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the exchange rate ruling at balance sheet date. Transactions in foreign currency are translated at the exchange rate ruling at that date of the transaction. Foreign currency gains and losses are recognised as resources expended in the income and expenditure account.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Intangible fixed assets

Intangible fixed assets include investment in programming costs and computer software.

Investment in programming costs are capitalised and amortised over their expected useful life, which is up to two years depending on format and the terms of licences acquired. The costs capitalised are third party costs that include capture costs, post-production costs, rights clearances and other directly attributable costs. These assets are reviewed for impairment where events or changes in circumstances indicate that the carrying amount may not be recoverable. Any anticipated losses on individual projects are expensed in the income and expenditure account.

Computer software is stated at cost less accumulated amortisation. Computer software costing less than £1,500 is not capitalised and is expensed through the income and expenditure account. Amortisation is provided at an annual rate of 33% on a straight-line basis to write off the cost of the computer software over its estimated useful life. Computer software in course of construction is transferred to the intangible asset category when the asset is ready for use, and amortised thereafter.

Basic Loans

Loans payable are included at their amortised cost and disclosed in note 26. The long term portion is included in Creditors: amounts falling due after one year with the current portion included in Creditors: amounts falling due within one year.

Loans receivable are included at their amortised cost and disclosed in note 25. The long term portion is included in Debtors: Amounts due after one year with the current portion included in Debtors: amounts due within one year.

Expenditure

Expenditure on charitable activities comprises expenditure on productions, sales and operations of the Royal Opera House, and grants and transfers to third party organisations. Direct expenditure on productions staged is charged to costs of production and sales on the day of the first performance. Expenditure relating to productions which have not had their first performance by the period end are held on the balance sheet under the caption 'Productions in preparation.'

Expenditure on raising funds consist of direct fundraising costs and costs of commercial trading operations. These costs are recognised when incurred.

Support costs, including management and administration, and premises and depreciation costs have been allocated across expenditure on production, sales and operation, and expenditure on raising funds. Support costs are analysed in note 14.

On occasion, management decides to make redundancy or termination payments for operational reasons. These are expensed in the SOFA on an accruals basis.

Governance costs, including audit fees and legal and professional fees on statutory and governance matters, are allocated across expenditure on productions, sales and operation, and expenditure on raising funds. These are analysed in note 13.

Interest payable is shown separately in the Statement of Financial Activities and in note 26.

Any irrecoverable VAT is included as part of the cost to which it relates.

Leases

As a lessee: Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

As a lessor: 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.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Pension costs

The charity operates a pension scheme providing benefits based on final pensionable pay, which is now closed to future accrual. Pension scheme assets are measured at fair value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability method. The pension scheme liability is disclosed on the balance sheet within unrestricted funds. The actuarial gain or loss for the period is disclosed under other recognised gains and losses in the Statement of Financial Activities. The current service costs and finance charge are included within expenditure on productions, sales and operations. These movements are analysed in detail in note 31.

The group also contributes to five defined contribution schemes for dancers, singers, musicians, and administration staff. The amounts charged to the Statement of Financial Activities represent the contributions payable to the schemes during the period. The amounts are shown in the Statement of Financial Activities in the same activity as the payroll costs which relate to that activity. For amounts which relate to payroll costs within support costs, these are allocated to the relevant activity on the same basis as other support costs (see note 14).

Any liabilities for unpaid contributions at year end are included in unrestricted creditors in the balance sheet.

Stocks

Retail items are included at the lower of cost and net realisable value.

Productions in preparation

Expenditure relating directly to a production which is incurred in advance of its staging, such as commissioning, build costs and stocks of production materials, are held in the first instance on the balance sheet and disclosed under the heading 'Productions in preparation.' These costs are subsequently charged to the income and expenditure account in the period in which the production's first performance takes place.

Gifts in kind

Investments and other assets donated to the charity are included as donated voluntary income valued at market value at the time of receipt.

Volunteers

The Royal Opera House Group benefits from the role played by volunteers, which includes assisting in certain learning and participation activities, helping with large mail-outs and some general administrative support. The Royal Opera House Volunteer Programme includes a number of volunteers in Thurrock. Donated services such as the contribution from unpaid volunteers are not recognised in the Statement of Financial Activities as the amounts involved would be impractical to measure.

Financial Instruments

Financial instruments are accounted for in accordance with FRS102. Financial instruments are recognised only when the Group and Charity becomes a party to the contractual provisions of the instrument.

The initial amount recognised is the transaction price, except for financing transactions (for example, loans below market rate or accounts where payment is deferred beyond normal terms) where the amount recognised initially is the present value of the future payments, discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost using the effective rate of interest determined at inception of the loan.

Subsequent measurement at each year end for non-financing transactions is:

- undiscounted cash receivable or payable for debt instruments due or receivable within one year (this includes intra-group balances, apart from intra-group loans, which are deemed to be repayable on demand); or
- amortised cost using the effective interest rate method for debt instruments due or receivable for more than one year; or

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

- fair value for investments in publicly traded shares, funds and bonds.

For financial assets measured at amortised cost, an impairment assessment is conducted at year end and if there is any objective evidence of an impairment loss, that loss is recognised in the Statement of Financial Activities immediately. Where there is subsequently objective evidence that the circumstances have improved, the impairment loss is reversed in the Statement of Financial Activities immediately, limited to what the carrying amount would have been without the initial impairment.

A financial asset and a financial liability is offset and the net amount presented in the Balance Sheet when, and only when, (a) there is currently a legally enforceable right to set off the recognised amounts; and (b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial instruments are disclosed in note 33. See policies above for specific policies for cash at bank and in hand, debtors, creditors, investments and basic loans.

Taxation

As a charitable entity, the Royal Opera House Covent Garden Foundation (Limited by Guarantee) is exempt from corporate taxation, so long as it uses its resources for charitable purposes. There are no recognised deferred tax amounts in the subsidiaries as there are no recognised significant timing differences.

Employee benefits

All employee benefits are recognised as expenses in the period in which they are incurred. Post-employment benefits, representing contributions into defined contribution plans for current staff are equally recognised as expenses in the period in which the contribution payable is exchanged for services rendered by staff. The assets of the scheme are held separately from the charity.

A termination benefit liability is recognised at the earlier of the following dates:

- when the entity can no longer withdraw the offer of those benefits or;
- when the entity recognises costs for the restricting which involves the payment of termination benefits.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

2. Subsidiary undertakings

Charitable subsidiaries

The charity has one connected charity – the Royal Opera House Endowment Fund 2000. The Royal Opera House Endowment Fund 2000 is treated as a subsidiary for reasons outlined in Note 1.

Royal Opera House Endowment Fund 2000 (the "Endowment Fund") supports the work of the Royal Opera House and other organisations by raising funds to support projects which increase the appreciation and understanding of the musical arts in all forms. It is a separately registered charity, and its board has a majority of Trustees who are independent of the Royal Opera House.

The summary results for the Endowment fund are shown below:

	Endowment Fund	
	Year Ended	Year Ended
	31-Aug-22	31-Aug-21
	£'000	£'000
Income		
Donations, legacies and similar income	**1,798**	1,900
Investment income	**489**	712
Total income	**2,287**	2,612
Expenditure		
Cost of sales and administrative expenses	**(20)**	(9)
Donations and grants to other group undertakings	**(6,072)**	(2,426)
Investment managers' fees	**(275)**	(246)
Total expenditure	**(6,367)**	(2,681)
(Losses) / gains on revaluation and disposal of investments	**(648)**	4,462
Net movement in funds	**(4,728)**	4,393

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

2. Subsidiary undertakings (continued)

The assets and liabilities of the Endowment fund were:

	Endowment Fund	
	31-Aug-22	31-Aug-21
	£'000	£'000
Fixed asset investments	**38,426**	39,075
Current assets	**8,619**	12,511
Current liabilities	**(253)**	(65)
Total net assets	**46,792**	51,521
Total funds	**46,792**	51,521

Except for fixed asset investments which at 31 August 2022 had an historical cost of £35.4m *(31 August 2021: £35.4m)* there is no difference between the carrying values and their historical cost equivalents.

Trading subsidiaries

The charity has two trading subsidiaries – ROH Holdings Limited and Royal Opera House Enterprises Limited.

Royal Opera House Enterprises Limited ("ROHEL") is a wholly owned trading subsidiary, whose principal activities are catering to customers and staff of the Royal Opera House, the sponsorship of Royal Opera House productions, multimedia production and distribution, hire of allocated spaces within the Royal Opera House, the sale of merchandise through the Royal Opera House shop, the sale of advertising through the Royal Opera House programmes and the licensing of the Royal Opera House brands. The charity owns the entire issued share capital. The reporting date of ROHEL is the same as the charity's, which falls on the last Sunday in August each year.

ROH Holdings is a holding company and has one wholly owned subsidiary, ROH Developments Limited, a property development company. The ROH Holdings Group prepares its accounts to 31 August each year. Summary trading results of all trading subsidiaries are shown below:

	ROHEL		ROHHL	
	52 week period ended 28-Aug-22	52 week period ended 29-Aug-21	**52 week period ended 31-Aug-22**	52 week period ended 31-Aug-21
	£'000	£'000	**£'000**	£'000
Turnover	**14,341**	3,856	**5**	5
Cost of Sales	**(10,202)**	(1,609)	**(5)**	(5)
Gross profit	**4,139**	2,247	**-**	**-**
Administration and financial expenses	**(1,299)**	(1,054)	**-**	**-**
Operating profit	**2,840**	1,193	**-**	**-**
Profit before taxation	**2,840**	1,193	**-**	**-**
Taxation for current year's profits	**(540)**	(227)	**-**	**-**
Taxation relief for current year's profits	**540**	227	-	-
Net profit for the period	**2,840**	1,193	**-**	**-**
Donations under the gift aid scheme	**(2,840)**	(1,193)	**-**	**-**
Retained result in subsidiary for the period	**-**	-	**-**	**-**

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

2. Subsidiary undertakings (continued)

The assets and liabilities of each trading subsidiary were:

	ROHEL		ROHHL	
	28-Aug-22	29-Aug-21	**31-Aug-22**	31-Aug-21
	£'000	£'000	**£'000**	£'000
Intangible fixed assets	**-**	-	**320**	320
Current assets	**2,713**	2,526	**10**	5
Current liabilities	**(2,337)**	(1,950)	**(10)**	(5)
Non-current liabilities	**(200)**	(400)	**-**	**-**
Total net assets	**176**	176	**320**	320
Aggregate share capital and reserves	**176**	176	**320**	320

3. Income from operation of Royal Opera House

	52 week period ended 28-Aug-22 £'000	**52 week period ended 28-Aug-22 £'000**	52 week period ended 29-Aug-21 £'000	52 week period ended 29-Aug-21 £'000
Unrestricted funds:				
Box office receipts:				
The Royal Opera	**23,747**		1,698	
The Royal Ballet	**15,882**		1,097	
		39,629		2,795
Other income:				
Publications	**751**		1	
Other	**3,853**		1,968	
Theatre Tax Credit	**6,774**		1,855	
		11,378		3,824
UK total		**51,007**		6,619
Overseas touring receipts		**-**		-
		51,007		6,619

Other income includes £3.85m *(52 week period ended 29 August 2021: £1.97m).* This represents box office receipts from productions, other than those on the main stage, co-production income and income from production and costume hires, income from audio-visual exploitation, income from learning and participation, income from ice-cream sales and backstage tours and other income from sundry sources.

4. Grants from Arts Council England

	52 week period ended 28-Aug-22 £'000	52 week period ended 29-Aug-21 £'000
Unrestricted funds:		
Arts Council England - grant in aid	**24,471**	24,472
Restricted funds:		
Arts Council England - Bridge funding	**741**	740

Other forms of government assistance, apart from Arts Council England, included grants from the Thurrock Borough Council and other government agencies for learning and participation projects of £0.13m *(52 week period ended 29 August 2021: £0.02m)* included as other income in Note 3.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

5. Grants from the UK Government

	52 week period ended 28-Aug-22 £'000	52 week period ended 29-Aug-21 £'000
Restricted funds:		
UK Government – Coronavirus Job Retention Scheme	**18**	10,636

The UK Government's Coronavirus Job Retention Scheme (CJRS) was announced on 20 March 2020 as one of a number of support schemes for UK employers as a result of the impact of the Covid-19 pandemic. Initially the scheme was to run for three months, backdated to 1 March 2020. The UK Government extended the scheme into 2021 with support varying from 60% of a staff wage up to a maximum of £1,875 per person per month to 80% of a staff wage up to a total of £2,500 per person per month. No national insurance or employer pension contributions were supported. The scheme closed at 30 September 2021.

6. Donations, legacies and similar incoming resources

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 28-Aug-22**
	£'000	£'000	£'000	**£'000**
Membership	7,483	-	-	**7,483**
Events	703	-	-	**703**
Donations, gifts and legacies	25,733	6,322	625	**32,680**
	33,919	6,322	625	**40,866**

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 29-Aug-21**
	£'000	£'000	£'000	**£'000**
Membership	5,737	-	-	**5,737**
Events	10	-	-	**10**
Donations, gifts and legacies	26,527	3,394	1,078	**30,999**
	32,274	3,394	1,078	**36,746**

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

7. Commercial Trading Income

	52 week period ended 28-Aug-22 £'000	52 week period ended 29-Aug-21 £'000
Unrestricted Funds		
Catering	**8,977**	614
Sponsorship	**1,872**	1,799
Sales of audio-visual materials	**1,114**	427
Cinema broadcast	**257**	257
Retail	**1,108**	546
Promotions and summer season	**341**	184
Venue Hire	**460**	-
Advertising	**156**	21
Property recharges	**500**	468
Licensing	**56**	8
	14,841	4,324

The closure of the Opera House for the majority of the 2020/21 Season resulted in significant impact to commercial income streams, in particular catering, cinema, retail and venue hire.

8. Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 28-Aug-22 £'000**
Dividend and interest income	385	88	-	**473**
Finance lease interest income	270	-	-	**270**
	655	88	-	**743**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 29-Aug-21 £'000**
Dividend and interest income	262	222	-	**484**
Finance lease interest income	270	-	-	**270**
	532	222	-	**754**

Dividend and interest income is earned on funds managed (for the Royal Opera House Endowment Fund 2000) by the investment managers Stonehage Fleming Investment Management Limited, Troy Asset Management Limited and Newton Investment Management Limited, and as well as interest received on bank deposits. Finance lease interest income is derived from the leases for the retail units on the site of the Royal Opera House.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

9. Expenditure on productions, sales and operations

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 28-Aug-22**
	£'000	£'000	£'000	**£'000**
The Royal Opera	16,966	-	-	**16,966**
The Royal Ballet	11,749	-	-	**11,749**
Orchestra of the Royal Opera House	9,678	-	-	**9,678**
Royalties and hire fees	1,036	-	-	**1,036**
Production	6,615	5,840	-	**12,455**
Stage and transport	12,448	-	-	**12,448**
Other production and sales costs	7,014	-	-	**7,014**
Front of House	1,297	-	-	**1,297**
Marketing and publicity	9,395	-	-	**9,395**
Education, archives & live relays	3,096	752	3,774	**7,622**
Support costs (note 14)	32,067	-	-	**32,067**
Grants (note 10)	48	-	-	**48**
Expense on pension scheme	(744)	-	-	**(744)**
	110,665	6,592	3,774	**121,031**

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 29-Aug-21**
	£'000	£'000	£'000	**£'000**
The Royal Opera	5,054	1,179	-	**6,233**
The Royal Ballet	7,803	1,623	-	**9,426**
Orchestra of the Royal Opera House	4,163	2,024	-	**6,187**
Royalties and hire fees	81	-	-	**81**
Production	2,357	4,024	-	**6,380**
Stage and transport	6,397	1,727	-	**8,124**
Other production and sales costs	5,306	197	-	**5,503**
Front of House	566	437	-	**1,003**
Marketing and publicity	6,495	275	-	**6,770**
Education, archives & live relays	1,612	903	-	**2,515**
Support costs (note 14)	22,391	1,561	-	**23,952**
Grants (note 10)	10	-	-	**10**
Expense on pension scheme	(870)	-	-	**(870)**
	61,365	13,949	-	**75,314**

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

9. Expenditure on productions, sales and operations (continued)

The employer cash contribution to the defined benefit pension scheme is included in the expenditure on productions, sales and in operations in the Unrestricted fund in the Statement of Financial Activities. The gain on the pension scheme above, which is recognised in the Unrestricted pension reserve in note 27, represents the difference between the cash contributions and the expense in the Statement of Financial Activities as calculated by the Scheme's actuary (refer to note 31).

10. Grants

	52 week period ended 28-Aug-22 £'000	52 week period ended 29-Aug-21 £'000
Unrestricted funds		
Grant to Royal Ballet School	**48**	10
	48	10

Grants made are in furtherance of the charity's objectives.

11. Expenditure on generating voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 28-Aug-22 £'000**
Fundraising staff costs	1,925	-	-	**1,925**
Fundraising overheads	1,315	54	87	**1,456**
Support costs	1,230	-	-	**1,230**
	4,470	54	87	**4,611**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 29-Aug-21 £'000**
Fundraising staff costs	1,578	102	-	**1,680**
Fundraising overheads	530	127	-	**657**
Support costs	1,007	65	-	**1,072**
	3,115	294	-	**3,409**

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

12. Expenditure on commercial activities

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 28-Aug-22**
	£'000	£'000	£'000	**£'000**
Retail costs	565	-	-	**565**
Advertising and licensing costs	27	-	-	**27**
Sponsorship costs	327	-	-	**327**
Cinema broadcast costs	1,021	-	-	**1,021**
Property recharges	500	-	-	**500**
Catering costs	7,518	-	-	**7,518**
Other commercial costs	748	-	-	**748**
	10,706	-	-	**10,706**

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 29-Aug-21**
	£'000	£'000	£'000	**£'000**
Retail costs	295	-	-	**295**
Advertising and licensing costs	(1)	-	-	**(1)**
Sponsorship costs	65	-	-	**65**
Cinema broadcast costs	301	16	-	**317**
Property recharges	468	-	-	**468**
Catering costs	507	-	-	**507**
Other commercial costs	512	75	-	**587**
	2,147	91	-	**2,238**

13. Governance costs

	52 week period ended 28-Aug-22	52 week period ended 29-Aug-21
	£'000	£'000
Unrestricted funds		
External audit (see note 14)	**136**	104
Legal and professional costs	**317**	359
	453	463

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

14. Allocation of support costs

	Expenditure on production, sales and operations (note 9) 28-Aug-22 £'000	Expenditure on generating voluntary income (note 11) 28-Aug-22 £'000	**Total 52 week period ended 28-Aug-22 £'000**
Management and administration	7,009	269	**7,278**
Premises	12,158	466	**12,624**
Depreciation, amortisation and impairment	12,464	478	**12,942**
External audit	131	5	**136**
Legal and professional costs	305	12	**317**
	32,067	1,230	**33,297**

	Expenditure on production, sales and operations (note 9) 29-Aug-21 £'000	Expenditure on generating voluntary income (note 11) 29-Aug-21 £'000	**Total 52 week period ended 29-Aug-21 £'000**
Management and administration	4,590	205	**4,795**
Premises	9,810	439	**10,249**
Depreciation, amortisation and impairment	9,109	408	**9,517**
External audit	100	4	**104**
Legal and professional costs	343	16	**359**
	23,952	1,072	**25,024**

Directly attributable support costs are allocated to governance costs where appropriate. The remaining support costs are pro-rated between the key cost driving areas: expenditure on productions, sales and operations and expenditure on raising funds, based on their proportional costs to the overall costs.

15. Restructuring costs

	52 week period ended 28-Aug-22 £'000	52 week period ended 29-Aug-21 £'000
Unrestricted funds		
Restructuring costs	**-**	691
	-	691

In July 2020 the Royal Opera House announced a restructure of the organisation as part of a four-point plan to deal with the long-term impacts of the Covid-19 pandemic on the Royal Opera House and ensure its continued existence. The consultation process with affected staff and the three recognised unions: Equity, the Broadcasting, Entertainment, Cinematographic and Theatre Union (BECTU) and the Musician's Union concluded in December 2020. The impact of the restructure continued into the 2020/21 Season.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

16. Total expenditure

Net (expenditure) / income is stated after charging the following:

	52 week period ended 28-Aug-22 £'000	52 week period ended 29-Aug-21 £'000
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	**111**	79
Fees payable to the charitable company's auditor for other services:		
Audit of the charitable company's subsidiaries, pursuant to legislation	**25**	25
Audit fees relating to prior period	**-**	15
Depreciation and other amounts written off:		
Tangible fixed assets - owned (note 21)	**8,587**	8,466
Amortisation of intangible fixed assets (note 20)	**575**	887
Operating leases - land and buildings	**14**	24
Interest payable	**567**	202

17. Gross transfers between funds

Gross transfers between funds		Unrestricted General Fund £'000	Unrestricted Designated Fund £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 28-Aug-22 £'000**
Depreciation & Amortisation	*17(a)*	251	-	(251)	-	-
Fixed Asset Fund	*17(b)*	7,837	(7,337)	(500)	-	-
Other Designated Funds	*17(c)*	(6,448)	6,448	-	-	-
Endowment	*17(d)*	879	-	(879)	-	-
		2,519	(889)	(1,630)	-	**-**

Gross transfers between funds		Unrestricted General Fund £'000	Unrestricted Designated Fund £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 29-Aug-21 £'000**
Depreciation & Amortisation	*17(a)*	271	-	(271)	-	-
Fixed Asset Fund	*17(b)*	5,544	(5,044)	(500)	-	-
Other Designated Funds	*17(c)*	(6,798)	6,798	-	-	-
Endowment	*17(d)*	926	-	(926)	-	-
		(57)	1,754	(1,697)	-	**-**

(a) Depreciation of £0.3m *(52 week period ended 29 August 2021: £0.3m)* was charged against unrestricted income then matched by a transfer from restricted funds. Restricted funds include those funds that have been granted specifically to finance the capital expenditure on the Bob and Tamar Manoukian Production Workshop and the Bob and Tamar Manoukian Costume Centre.

(b) A net transfer of £7.8m *(52 week period ended 29 August 2021: £5.5m)* was made to the Unrestricted General Fund. There was a transfer from Restricted Funds of £0.5m, representing amounts received for the Open Up project *(52 week period ended 29 August 2021: £0.5m).* There was a transfer of £7.3m from the Unrestricted Fixed Asset Fund to the Unrestricted General Fund, representing a transfer for the net decrease in the charity's tangible fixed assets *(52 week period ended 29 August 2021: £5.0m).*

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

17. Gross transfers between funds (continued)

(c) A net transfer of £6.4m *(52 week period ended 29 August 2021: £6.8m)* was made to other designated funds representing recovery campaign funds accumulated in the 21/22 Season.

(d) Transfers of £0.9m *(52 week period ended 29 August 2021: £0.9m)* were made to Unrestricted General Funds from Restricted Funds.

18. Staff numbers and costs

The full time equivalent number of permanent and casual staff employed by the group during the period was as follows:

	Number of staff	
	52 week period ended 28-Aug-22	52 week period ended 29-Aug-21
Production	**368**	291
Orchestra	**126**	114
Royal Ballet	**144**	128
Royal Opera	**78**	71
Sales and marketing	**92**	67
Management and administration	**88**	72
Fundraising	**34**	34
Education and collections	**35**	35
Premises	**3**	2
Shop	**10**	7
	978	822

The aggregate payroll costs of these persons were as follows:

	52 week period ended 28-Aug-22 £'000	52 week period ended 29-Aug-21 £'000
Payroll Costs		
Wages and salaries	**41,893**	34,218
Social security costs	**5,468**	4,298
Other pension costs, of which:	**4,302**	3,666
-contributions to defined contribution pension schemes	*2,521*	*2,434*
-operating costs of defined benefit pension scheme	*1,781*	*1,232*
Non-PAYE payroll costs	**3,491**	3,497
	55,154	45,679

The average salary cost per staff member (£42,835), excluding termination costs, is an increase compared to prior period (£40,787) and includes increases for the London Living Wage. The increase in average salary cost is partly due to a return to normal salary levels after reductions the previous Season as a response to the impact of the Covid-19 pandemic.

Included in the wages and salaries are termination and redundancy payments of £412,431 *(for 52 week period ended 29 August 2021: £1,334,682)* that left employment up to 28 August 2022. All termination and redundancy costs are included in total payroll costs of £55.2m, as above. During 21/22 there were no additional payroll costs associated with restructure *(for 52 week period ended 29 August 2021: £691,103)* that was first announced in July 2020. See Note 15 for further details.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

18. Staff numbers and costs (continued)

The emoluments of all staff, including staff whose emoluments exceeded £60,000 for the period, fell within the following bands:

			Number of staff 52 week period ended 28-Aug-22			Number of staff 52 week period ended 29-Aug-21		
			Performers	Artistic and General Management	**Total**	Performers	Artistic and General Management	**Total**
	up to	£59,999	187	654	841	235	502	737
£60,000	-	£69,999	36	22	58	25	16	41
£70,000	-	£79,999	22	12	34	4	10	14
£80,000	-	£89,999	10	3	13	5	2	7
£90,000	-	£99,999	5	5	10	2	1	3
£100,000	-	£109,999	-	2	2	1	2	3
£110,000	-	£119,999	1	1	2	1	2	3
£120,000	-	£129,999	1	-	1	3	-	3
£130,000	-	£139,999	3	2	5	3	1	4
£140,000	-	£149,999	2	1	3	-	2	2
£150,000	-	£159,999	-	2	2	-	2	2
£160,000	-	£169,999	-	2	2	-	1	1
£170,000	-	£179,999	1	1	2	-	-	-
£180,000	-	£189,999	-	1	1	-	1	1
£220,000	-	£229,999	-	1	1	-	1	1
£550,000	-	£559,999	-	1	1	-	-	-
			268	710	**978**	279	543	**822**

Emoluments comprise wages and salaries together with benefits in kind.

For staff in bandings from £60,000 and above, contributions of £685,612 *(for 52 week period ended 29 August 2021: £428,644)* were made during the period to defined contribution pension schemes.

Retirement benefits were accruing to 77 *(29 August 2021: 81)* of the above staff under defined contribution pension schemes, and to nil *(29 August 2021: nil)* under a defined benefit pension scheme.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

18. Staff numbers and costs (continued)

Emoluments for the key management personnel are as follows:

	Salary (£)	Fees (£)	Total Emoluments (£)	Pension (£)	National Insurance (£)	Total (£)
						52 week period ended 28-Aug-22
Sir Antonio Pappano, Music Director	118,997	446,250	565,247	10,833	81,093	657,173
Alexander Beard, CBE, Chief Executive	238,645	-	238,645	-	32,995	271,640
Kevin O'Hare, Director, The Royal Ballet	184,265	-	184,265	18,427	25,614	228,306
Oliver Mears, Director of Opera	172,602	-	172,602	6,554	23,414	202,570
	714,509	**446,250**	**1,160,759**	**35,814**	**163,116**	**1,359,689**

	Salary (£)	Fees (£)	Total Emoluments (£)	Pension (£)	National Insurance (£)	Total (£)
						52 week period ended 29-Aug-21
Sir Antonio Pappano, Music Director	9,823	12,000	21,823	-	2,809	24,632
Alexander Beard, CBE, Chief Executive	224,396	-	224,396	-	29,762	254,158
Kevin O'Hare, Director, The Royal Ballet	184,163	-	184,163	18,026	24,199	226,388
Oliver Mears, Director of Opera	169,882	-	169,882	6,385	22,228	198,495
	588,264	**12,000**	**600,264**	**24,411**	**78,998**	**703,673**

As noted on page 71, there were reductions in salaries in line with the terms of our Cultural Recovery Fund loan with senior staff earning in excess of £150,000 taking at least a reduction of 10% from December 2020. Voluntarily, Alex Beard increased his reduction to 25% and Sir Antonio Pappano waived his salary from April 2020 to July 2021, returning to his normal salary from August 2021.

From June 2022, those staff having had a reduction from December 2020 were partially restored to their pre-Covid-19 salary. Key senior salaries are still below pre-Covid-19 levels, and Alex Beard's salary is still 6% less than in 2019/20.

Emoluments for Sir Antonio Pappano comprise a salary and separately contracted fees for conducting and directing, respectively. The total level of fees varies season to season depending on the number of Royal Opera House engagements undertaken.

Key management personnel are reflected in the table above. Their compensation for the 52 week period ended 28 August 2022 included emoluments of £1.2m *(52 week period ended 29 August 2021: £0.6m)* which together with pension costs of £35,814 *(52 week period ended 29 August 2021: £24,411)* and employer contributions to national insurance of £163,116 *(52 week period ended 29 August 2021: £78,998)* came to £1.4m *(52 week period ended 29 August 2021: £0.7m).* Key management personnel also include Trustees who receive no compensation as detailed in note 29. Key management personnel do not include all of the Executive Team as listed in the Trustees' report.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

19. Net Gains on investments and on revaluation of heritage assets

Endowment Funds	**52 week period ended 28-Aug-22 £'000**	52 week period ended 29-Aug-21 £'000
Realised gains on disposal of investments	**35**	5,969
Unrealised loss on revaluation of investments	**(683)**	(1,507)
(Loss) / gain on investment assets	**(648)**	4,462

Unrestricted Funds	**52 week period ended 28-Aug-22 £'000**	52 week period ended 29-Aug-21 £'000
Unrealised gains / (loss) on revaluation of heritage assets	**-**	156
Gains / (Loss) on heritage assets	**-**	156

20. Intangible fixed assets

	Investment in Programming	**Computer Software**	**Total**
Group	**£'000**	**£'000**	**£'000**
Cost			
At beginning of period	**13,673**	**6,990**	**20,663**
Additions	**595**	**145**	**740**
At end of period	**14,268**	**7,135**	**21,403**
Amortisation			
At beginning of period	**13,658**	**5,678**	**19,336**
Amortisation for period	567	8	575
At end of period	14,225	5,686	19,911
Net book value			
At 28 August 2022	**43**	**1,449**	**1,492**
At 29 August 2021	15	1,312	1,327

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

20. Intangible fixed assets (continued)

	Investment in Programming	Computer Software	Total
Charity	**£'000**	**£'000**	**£'000**
Cost			
At beginning of period	**16,525**	**6,990**	**23,515**
Additions	**595**	**145**	**740**
At end of period	**17,120**	**7,135**	**24,255**
Amortisation			
At beginning of period	**16,510**	**5,678**	**22,188**
Amortisation for period	567	8	575
At end of period	17,077	5,686	22,763
Net book value			
At 28 August 2022	**43**	**1,449**	**1,492**
At 29 August 2021	15	1,312	1,327

21. Tangible fixed assets

	Freehold premises	Assets in the course of construction	Equipment & vehicles	Total
Group	**£'000**	**£'000**	**£'000**	**£'000**
Cost				
At beginning of period	211,545	9,067	89,551	310,163
Additions	4	1,010	2,518	3,532
Transfers	-	(8,216)	8,216	**-**
Disposals	(1,515)	**-**	(7,311)	(8,826)
At end of period	210,034	1,861	92,974	304,869
Depreciation and diminution in value				
At beginning of period	59,967	-	60,046	120,013
Charge for period	4,464	-	4,123	8,587
Disposals	(1,033)	-	(3,446)	(4,479)
At end of period	63,398	**-**	60,723	124,121
Net book value				
At 28 August 2022	**146,636**	**1,861**	**32,251**	**180,748**
At 29 August 2021	151,578	9,067	29,505	190,150

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Charity	Freehold premises £'000	Assets in the course of construction £'000	Equipment & vehicles £'000	Total £'000
Cost				
At beginning of period	211,545	9,067	89,529	310,141
Additions	4	1,010	2,518	3,532
Transfers	-	(8,216)	8,216	-
Disposals	(1,515)	-	(7,311)	(8,826)
At end of period	210,034	1,861	92,952	304,847
Depreciation and diminution in value				
At beginning of period	59,967	-	60,024	119,991
Charge for period	4,464	-	4,123	8,587
Disposals	(1,033)	-	(3,446)	(4,479)
At end of period	63,398	-	60,701	124,099
Net book value				
At 28 August 2022	**146,636**	**1,861**	**32,251**	**180,748**
At 29 August 2021	151,579	9,067	29,505	190,150

Assets in the course of construction represents projects in progress and equipment received but not placed in service before the period end (1.9m).

In 2013, a fixed and floating charge lasting 30 years was provided as security for the potential repayment obligations under a grant of £10m from Arts Council England for capital projects.

In October 2014, a first deed of mortgage over the Bob and Tamar Manoukian Costume Centre and by way of first fixed charge, all its present and future plant and machinery on or serving the Property (apart from the mortgage charge) and the rents *(if any)* was provided as security for a loan of £1.5m from the Thurrock Borough Council. The current balance of the loan is £1.28m. The net book value of the Bob and Tamar Manoukian Costume Centre at 28 August 2022 was £4.1m *(29 August 2021: £4.2m).*

As part of the actuarial valuation of the pension scheme (see note 31), the Trustee secured a charge on the Royal Opera House's main self-occupied property to help cover the cost of transferring the Scheme's liabilities to an insurance company *(up to the amount of £65.3m)* if the Royal Opera House became insolvent.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

22. Investments

(a) Group: The following investments were held through the Royal Opera House Endowment Fund 2000 at period end:

	Group	Group
	28 August	29 August
	2022	2021
	£'000	£'000
Held with investment managers:		
- Venture funds	**217**	301
- Quoted equities	**18,026**	18,378
- Hedge funds	**5**	220
- Bonds	**9,027**	9,119
- Cash funds	**7,516**	7,405
- Gold	**3,635**	3,652
Total investment with Investment Managers	**38,426**	39,075

Movements in investments held with investment managers:

	Listed investments	**Other investments**	**Total 28 August 2022**
	£'000	**£'000**	**£'000**
Endowment Funds			
Fair value at beginning of period	38,466	609	**39,075**
Additions (at cost)	-	-	**-**
Disposals	-	-	**-**
Net realised and unrealised losses	(509)	(140)	**(649)**
Fair value at end of the period	37,957	469	**38,426**
Historical cost at end of the period	34,676	761	35,437

	Listed investments	**Other investments**	**Total 29 August 2021**
	£'000	**£'000**	**£'000**
			Total
Endowment Funds			
Fair value at beginning of period	37,817	767	**38.584**
Additions (at cost)	-	-	**-**
Disposals	(3,774)	(195)	**(3,969)**
Net realised and unrealised gains	4,423	37	**4,460**
Fair value at end of the period	38,466	609	**39,075**
Historical cost at end of the period	34,676	761	35,437

As at 31 August 2022 investments held with investment managers are measured at fair value, £37.9m (2021: £38.5m) categorised as Level 1 and £0.5m (2021: £0.5m) as Level 3.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

(b) Charity: The following were the subsidiary undertakings of Royal Opera House Covent Garden Foundation as at 28 August 2022:

	Country of incorporation	Principal activity	Percentage of shares held
Subsidiary undertaking			
ROH Holdings Limited	UK	Holding company	100%
ROH Developments Limited	UK	Property development	100%
ROH Pension Trustee Limited	UK	Trustee company	100%
ROH Productions Limited	UK	Theatre productions	100%
Royal Opera House Enterprises Limited	UK	Catering / Sponsorship / Multimedia production and distribution/ Retail / Venue Hire / Licensing of brand	100%

The issued share capital in ROH Holdings Limited (which is the holding company for ROH Developments Limited) is 2 £1 shares.

ROH Pension Trustee Limited is a non-trading subsidiary. The issued share capital is 100 £1 shares.

ROH Productions Limited has been dormant since incorporation.

The issued share capital in Royal Opera House Enterprises Limited is 125,987 £1 shares *(125,987 £1 shares at 29 August 2021).* The remaining balance is related to the original acquisition of Royal Opera House Enterprises Limited.

The Royal Opera House Endowment Fund 2000 is a connected charity of the Royal Opera House Covent Garden Foundation. See Note 2 for further details.

Investment in Royal Opera House Enterprises Limited:

Unrestricted Funds	**Charity 28 August 2022 £'000**	**Charity 29 August 2021 £'000**
Cost		
At beginning and end of period	**6,676**	**6,676**
Net book value		
At beginning of period	**6,676**	**6,676**
At end of period	6,676	6,676

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

23. Heritage assets

(a) Tangible fixed assets – heritage assets

	Fine art	Costumes & accessories	Other collections	Total 28 August 2022
Unrestricted Funds Group and Charity ***Cost or valuation***	**£'000**	**£'000**	**£'000**	**£'000**
At beginning of period	3,030	1,477	1,253	5,760
Additions	-	-	262	262
Disposals	-	-	-	-
Revaluation	-	-	-	-
At end of period	**3,030**	**1,477**	**1,515**	**6,022**
At beginning of period	3,030	1,477	1,253	5,760

The external valuers for the Royal Opera House, Mark Peters, Senior General Valuer and David Vyvyan-Robinson, Picture Valuer of Gurr Johns, valued the entirety of the fine art collection in August 2021, on the basis of retail replacement values (RRV). RRV represents the value used for insurance, based on replacement in the retail market, or where appropriate in the second-hand retail market with items of a similar nature, age, condition and quality.

Costumes and accessories and other collections have internal valuations. Where the valuation is internal, it has been provided by Julia Creed, Head of Collections. Julia Creed has a Master's degree in Archives and Records Management and has worked as an archivist at the Royal Opera House since 2004; since April 2015 she has been Head of Collections. Costumes and accessories and other collections were last valued between August 2015 and August 2017. These collections are not valued more regularly due to the time and cost involved in the valuation process.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

23. Heritage assets (continued)

(b) Five year financial summary of heritage asset transactions:

Unrestricted Funds	28 August 2022 £'000	29 August 2021 £'000	30 August 2020 £'000	25 August 2019 £'000	26 August 2018 £'000
Purchases/Commissions					
Fine art	**-**	**-**	**-**	-	-
Costumes & accessories	**-**	**-**	**-**	-	-
Other collections	**-**	**-**	**-**	12	-
Donations					
Fine art	**-**	**-**	**-**	-	-
Costumes & accessories	**-**	**-**	**-**	-	-
Other collections	**262**	**88**	**-**	-	-
Disposals					
Fine art	**-**	**(11,275)**	**-**	-	-
Costumes & accessories	**-**	**-**	**-**	-	-
Other collections	**-**	**-**	**-**	-	-
Proceeds from disposals					
Fine art	**-**	**11,275**	**-**	-	-
Costumes & accessories	**-**	**-**	**-**	-	-
Other collections	**-**	**-**	**-**	-	-
Total additions	**262**	**88**	**-**	**12**	**-**

(c) Further information on Heritage Assets:

The Royal Opera House maintains three collections as follows:

The fine art collection consists of paintings, other pictures and drawings, furniture, furnishings, sculpture and pottery that have been donated and are on public display throughout the Royal Opera House.

The costumes and accessories collection consists of over 4,000 individual items worn by artists at the Royal Opera House. The collection contains some items from the late 19th and early 20th centuries, but most date from 1946 to the present. The majority of the collection is costumes, with a sizeable number of hats, headdresses and jewellery, and a growing number of shoes, boots and wigs.

Other collections include photographic collections, design collections, a portrait of Pavarotti and an autographed Donizetti score for *Elisabetta,* none of which are on permanent public display.

All assets are maintained and managed through the heritage asset register which is overseen by the Head of Collections.

Most new acquisitions are made through donation. A limited number of acquisitions are purchased where assets enhance the overall collections maintained by the charity. The Royal Opera House would not normally dispose of any heritage assets in their normal course of business.

The preservation of assets is the responsibility of the Head of Collections who holds an annual budget to maintain the quality of the assets.

The Charity exhibits assets throughout the Opera House and through exhibitions. In addition, many assets may be viewed electronically through the catalogue website at www.rohcollections.org.uk.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

24. Stocks

	Group 28 August 2022 £'000	Group 29 August 2021 £'000	**Charity 28 August 2022 £'000**	Charity 29 August 2021 £'000
Goods for resale	**254**	439	**-**	**-**
	254	439	**-**	-

During the 52-week period ended 28 August 2022 £539,309 *(52 week period ended 29 August 2021: £290,150)* of stock was expensed through the Statement of Financial Activities.

25. Debtors

	Group 28 August 2022	Group 29 August 2021	**Charity 28 August 2022**	Charity 29 August 2021
	£'000	£'000	**£'000**	£'000
Amounts due after more than one year				
Finance lease debtor	**5,430**	5,430	**-**	-
Amounts due from subsidiary and associated undertakings	**-**	-	**200**	400
Prepayments	**1,105**	1,230	**-**	-
	6,535	6,660	**200**	400

	Group 28 August 2022	Group 29 August 2021	**Charity 28 August 2022**	Charity 29 August 2021
	£'000	£'000	**£'000**	£'000
Amounts due within one year				
Trade debtors	**8,103**	5,925	**7,164**	5,468
Amounts due from subsidiary and associated undertakings	**-**	-	**906**	1,012
Accrued income	**9,195**	7,920	**8,989**	7,835
Other debtors	**345**	353	**345**	353
Prepayments	**2,424**	951	**2,148**	827
Finance lease debtor	**270**	270	**84**	84
	20,337	15,419	**19,636**	15,579

Amounts due from subsidiary and associated undertakings after more than one year in the Charity represent a loan from Royal Opera House Covent Garden Foundation to Royal Opera House Enterprises Limited, with interest charged at a rate of 2% above the Bank of England base rate.

The expected repayments on the loan are as follows:

	Capital	Interest	**Total**
			52 Week Period Ended 28-Aug-22
	£'000	**£'000**	**£'000**
Due within one year	200	11	**211**
Due between one year and two years	200	6	**206**
Due between two years and five years	0	-	**-**
	400	**17**	**417**

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

25. Debtors (continued)

The finance lease debtor represents a 5% income interest in the leases for the retail units on the site of the Royal Opera House.

Reconciliation between gross investment in a lease and the present value of minimum lease payments receivable is as follows:

	Group 28 August 2022 £'000	Group 29 August 2021 £'000
Gross investment in a finance lease at the end of the period	59,243	59,513
Unearned finance income for the period	(53,543)	(53,813)
Present value of minimum lease payments at the end of the period	5,700	5,700

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

There are no unguaranteed residual values accruing to the lessor and no accumulated allowance for uncollectible minimum lease payments. There were no contingent rents for the period *(52 week period ended 29 August 2021: nil).*

The 5% interest in the leases of the retail units have been approved for sale by the Trustees of the Charity on 13th 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 36 Post Balance Sheet Events.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

26. Creditors

Amounts falling due within one year

	Group 28 August 2022	Group 29 August 2021	**Charity 28 August 2022**	Charity 29 August 2021
	£'000	£'000	**£'000**	£'000
Trade creditors	**4,850**	5,238	**4,597**	5,182
Taxation and social security	**6,143**	137	**6,143**	137
Accruals	**12,791**	12,101	**11,957**	11,353
Deferred income	**21,906**	17,290	**21,056**	17,073
	45,690	34,766	**43,753**	33,745

	Group 28 August 2022	Group 29 August 2021	**Charity 28 August 2022**	Charity 29 August 2021
	£'000	£'000	**£'000**	£'000
Deferred income at start of period	**17,290**	9,502	**17,073**	9,170
Box office receipts, subscription and donations received	**53,396**	17,589	**50,071**	15,085
Released to statement of financial activities	**(48,780)**	(9,801)	**(46,088)**	(7,182)
Deferred income at end of period	**21,906**	17,290	**21,056**	17,073
Comprising:				
Advanced bookings	**10,791**	8,608	**10,791**	8,608
Subscriptions and donations	**5,783**	5,813	**5,783**	5,813
Other deferred income	**5,332**	2,869	**4,482**	2,652

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

26. Creditors (continued) Amounts falling due after one year

Thurrock Borough Council Loan

	52 Week Period Ended 28-Aug-22 £'000	52 Week Period Ended 29-Aug-21 £'000
Balance at the beginning of the year	**1,323**	1,365
Amounts repaid	**(102)**	(102)
Interest payable	**59**	60
Balance at the end of the year	**1,280**	1,323
Less amounts disclosed in creditors: amounts falling due within one year	**-**	**-**
Balance at the end of the year falling due after one year	**1,280**	1,323

The table below shows the amounts and timings of repayments due under the terms of the loan.

	Capital	Interest	**Total**	Capital	Interest	**Total**
			52 Week Period Ended 28-Aug-22			**52 Week Period Ended 29-Aug-21**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Due within one year	47	55	**102**	45	58	**103**
Due between one year and two years	48	54	**102**	46	55	**101**
Due between two years and five years	161	146	**307**	155	154	**309**
Due after five years	1,024	313	**1,337**	1,077	359	**1,436**
	1,280	568	**1,848**	1,323	626	**1,949**

In October 2014, a first deed of mortgage over the Bob and Tamar Manoukian Costume Centre and by way of first fixed charge, all its present and future plant and machinery on or serving the Property (apart from the mortgage charge) and the rents *(if any)* was provided as security for a loan of £1.5m from the Thurrock Borough Council. The current balance of the loan is £1.28m. The net book value of the Bob and Tamar Manoukian Costume Centre at 28 August 2022 was £4.1m *(29 August 2021: £4.2m).*

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

26. Creditors (continued) Amounts falling due after one year

Cultural Recovery Fund Loan

	52 Week Period Ended 28-Aug-22 £'000	52 Week Period Ended 29-Aug-21 £'000
Balance at the beginning of the year	**21,700**	-
Amounts drawn down	**-**	21,700
Amounts repaid	**-**	-
Interest payable	**-**	-
Balance at the end of the year	**21,700**	21,700
Less amounts disclosed in creditors: amounts falling due within one year	**-**	**-**
Balance at the end of the year falling due after one year	**21,700**	21,700

	Capital	Interest	**Total**	Capital	Interest	**Total**
			52 Week Period Ended			**52 Week Period Ended**
			28-Aug-22			**29-Aug-21**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Due within one year	-	1.085	**1,085**	-	-	**-**
Due between one year and two years	-	870	**870**	-	276	**276**
Due between two years and five years	3,450	1,224	**4,674**	2,390	2,581	**4,971**
Due after five years	18,250	2,466	**20,716**	19,310	2,786	**22,096**
	21,700	5,645	**27,345**	21,700	5,643	**27,343**

In support of arts organisations affected by the Covid-19 pandemic, the government established a Cultural Recovery Fund (CRF) offering grants to smaller organisations and loans to larger organisations. In March 2021, the ROH received a loan from the CRF of £21.7m. The loan is interest bearing, at a rate of 2%, over a 20 year period and has a four year repayment holiday.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

26. Creditors (continued) Amounts falling due after one year

Finance Lease – Hako Scrubber

	52 Week Period Ended 28-Aug-22 £'000	52 Week Period Ended 29-Aug-21 £'000
Balance at the beginning of the year	**-**	-
Amounts drawn down	**18**	-
Amounts repaid	**(6)**	-
Interest payable	**-**	-
Balance at the end of the year	**12**	-
Less amounts disclosed in creditors: amounts falling due within one year	**-**	**-**
Balance at the end of the year falling due after one year	**12**	-

	Capital	Interest	**Total**	Capital	Interest	**Total**
			52 Week Period Ended 28-Aug-22			**52 Week Period Ended 29-Aug-21**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Due within one year	3	-	**3**	-	-	**-**
Due between one year and two years	3	-	**3**	-	-	**-**
Due between two years and five years	6	1	**7**	-	-	**-**
Due after five years	-	-	**-**	-	-	**-**
	12	1	**13**	-	-	**-**

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

27. Statement of Funds – Group

	At 29 August 2021	Incoming Resources	Outgoing Resources	Other gains/ (losses)	Transfers	At 28 August 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted General fund	4,156	124,632	(127,152)	-	2,521	4,157
Unrestricted Revaluation fund	389	-	-	-	-	389
Unrestricted Designated funds:						
Unrestricted Fixed Asset Fund	179,891	-	-	-	(7,339)	172,552
Unrestricted Heritage Asset Fund	5,372	261	-	-	-	5,633
Unrestricted Future Projects Fund	23,717	-	-	-	6,448	30,165
Unrestricted Funds before pension reserve	**213,525**	124,893	(127,152)	-	1,630	**212,896**
Unrestricted: pension scheme liability	**(30,118)**	**-**	**744**	**15,196**	**-**	**(14,178)**
Total unrestricted funds	**183,407**	**124,893**	**(126,408)**	**15,196**	**1,630**	**198,718**
Restricted funds:						
Thurrock Capital Fund	8,958	-	-	-	(251)	8,707
Production Fund	-	5,822	(5,822)	-	-	-
Coronavirus Job Retention Scheme	-	18	(18)			
Open Up Project Fund	-	500	-	-	(500)	-
Arts Council England Bridge programme fund	398	741	(752)	-	-	387
Arts Council England China skills exchange	164	-	-	-	-	164
ROH Holdings Limited	105	-	-	-	-	105
Endowment Restricted Income Fund	2,629	88	(54)	(8)	(879)	1,776
Special Projects	83	-	-		-	83
Total restricted funds	**12,337**	**7,169**	**(6,646)**	**(8)**	**(1,630)**	**11,222**
Endowment funds	**48,681**	**625**	**(3,861)**	**(640)**	**-**	**44,805**
Total funds	**244,425**	**132,687**	**(136,915)**	**14,548**	**-**	**254,745**

Unrestricted Funds: Unrestricted funds are segregated between general funds (representing free reserves and unrestricted general funds held in trading subsidiaries) and designated funds. The three designated funds at period end were the Fixed Asset Fund which is set at a level equivalent to the charity's fixed assets and intangible fixed assets (plus approved capital expenditure in the 21/22 season carried over to the 22/23 season), the Heritage Asset Fund which is equivalent to the charity's heritage assets and the Designated Future Projects Fund. The Designated Future Projects Fund represents funds earmarked for specific future projects. The pension scheme liability is disclosed in accordance with FRS 102.

Restricted Funds: The Thurrock Capital Fund has been established to hold funding received in the development of both the Bob and Tamar Manoukian Production Workshop and the Bob and Tamar Manoukian Costume Centre in Thurrock. The Production Fund represents donations received which are restricted for the purpose of specific productions. The Open Up Project Fund has been established to hold funding received towards the Open Up Project, a capital project intended to enhance audiences' experience of our work and inspire wider interest and engagement. The Bridge Programme Fund represents funding received from Arts Council England for improving the delivery of arts opportunities for children and young people, acting as a bridge between the arts and education sectors in Thurrock, Essex, Southend, Hertfordshire, Bedfordshire, Luton and North Kent. The Endowment Restricted Income Fund represents funds expendable on specific purposes as required by donors.

Endowment Funds: The balance above represents restricted capital reserves held by ROH Endowment Fund 2000.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

27. Statement of Funds - Charity

	At 29 August 2021	Incoming Resources	Outgoing Resources	Other gains/ (losses)	Transfers	At 28 August 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted General fund	4,672	113,772	(115,413)	-	1,640	4,671
Unrestricted Revaluation fund	389	-	-	-	-	389
Unrestricted Designated funds:						
Unrestricted Fixed Asset Fund	185,670	-	-	-	(7,338)	178,332
Unrestricted Heritage Asset Fund	5,372	261	-	-	-	5,633
Unrestricted Future Projects Fund	23,717	-	-	-	6,448	30,165
Unrestricted Funds before pension reserve	**219,820**	114,033	(115,413)	-	750	**219,190**
Unrestricted: pension scheme liability	**(30,118)**	**-**	**744**	**15,196**	**-**	**(14,178)**
Total unrestricted funds	**189,702**	**114,033**	**(114,669)**	**15,196**	**750**	**205,012**
Restricted funds:						
Thurrock Capital Fund	8,950	-	-	-	(250)	8,700
Production Fund	-	6,701	(6,701)	-	-	-
Coronavirus Job Retention Scheme	-	18	(18)	-	-	-
Open Up Project Fund	-	500	-	-	(500)	-
Arts Council England Bridge programme fund	398	741	(752)	-	-	387
Arts Council England China skills exchange	164	-	-	-	-	164
Special Projects	84	-	-		-	84
Total restricted funds	**9,596**	**7,960**	**(7,471)**	-	**(750)**	**9,335**
Total funds	**199,298**	**121,993**	**(122,140)**	**15,196**	**-**	**214,347**

28. Share capital

The charity is limited by guarantee and therefore has no share capital. The liability of the members of the charity is limited to £1 each. At 28 August 2022 there were 16 members *(29 August 2021: 18).*

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

29. Connected charities and other related party transactions

Connected charities

Royal Opera House Endowment Fund 2000 - registered charity No 1089928

During the period the charity received grants of £6.1m *(52 week period ended 29 August 2021: £2.4m)* from Royal Opera House Endowment Fund 2000 in furtherance of its charitable objectives. At 28 August 2022, the charity owed £0.02m to the Royal Opera House Endowment Fund 2000 *(29 August 2021: £0.2m).*

The above charity is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Trading subsidiaries

Royal Opera House Enterprises Limited

During the period the charity received a loan repayment of £0.2m *(52 week period ended 29 August 2021: £0.2m),* a royalty payment of £0.5m *(52 week period ended 29 August 2021: £0.5m)* and a gift aid payment of £2.8m *(52 week period ended 29 August 2021: £1.2m)* from Royal Opera House Enterprises Limited. At 28 August 2022, Royal Opera House Enterprises Limited owed £1.1m to the charity *(29 August 2021: £1.3m).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Royal Opera House Holdings Limited

During the period the charity received £5,000 *(52 week period ended 29 August 2021: £5,000)* from Royal Opera House Development Limited in respect of audit fees. At 28 August 2022, Royal Opera House Holdings Limited owed £10,000 to the charity *(29 August 2021: £5,000).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Royal Opera House Developments Limited

During the period the charity received gift aid payments of £147 *(52 week period ended 29 August 2021: nil)* from Royal Opera House Development Limited in furtherance of its charitable objectives. At 28 August 2022, Royal Opera House Developments Limited owed £0.1m to the charity *(29 August 2021: £0.1m).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Other related party transactions

No trustee had an interest in any contract or transaction with the charity or its subsidiaries in the period ended 28 August 2022. During the period no trustees received any remuneration from the charity or its subsidiaries and no trustees were reimbursed for personally-incurred expenses which were necessary to carry out trustee duties (2021: nil). The aggregate amount of unrestricted donations received from trustees was £3.311m *(52 week period ended 29 August 2021: £3.040m).* Of this amount, £2.963m *(52 week period ended 29 August 2021: £2.043m)* was received from trustees of the ROH Endowment Fund 2000.The charity undertakes transactions in its normal course of business with its subsidiaries. These transactions are carried out on an arms-length basis.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

30. Commitments

(a) The Group has future minimum commitments under non-cancellable operating leases as follows:

	28-Aug-22 Land and Buildings £'000	29-Aug-21 Land and Buildings £'000
Operating leases payable:		
Not later than one year	**1**	1
Later than one year and not later than five years	**5**	5
Later than five years	**142**	145
	149	151

(b) The group has entered into contracts with guest artists and suppliers in respect of future productions to be staged at the Royal Opera House. Commitments in respect of these contracts which are not reflected in the balance sheet are:

	28-Aug-22 £'000	29-Aug-21 £'000
Less than one year	**5,005**	5,421
In the second to fifth years inclusive	**835**	870
	5,840	6,291

(c) The group has capital commitments for the Fly System project which are not reflected in the balance sheet:

	28-Aug-22 £'000	29-Aug-21 £'000
Less than one year	**266**	925
In the second to fifth years inclusive	**-**	-
	266	925

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

31. Pension scheme

The Royal Opera House operates a defined benefit pension scheme, the Royal Opera House Pension Scheme. The Scheme's funds are administered by the Trustee and are independent of the ROH's finances. Contributions are paid to the Scheme in accordance with the Schedule of Contributions agreed between the Trustee and the ROH.

The group also contributes to five defined contribution schemes. Two are sponsored by Arts Council England and Equity (for dancers and singers) and one by the Musicians' Union (for musicians). Two further defined contribution scheme arrangements exist for other staff groups. Contributions to these and other schemes amounted to £2.521m *(52 week period ended 29 August 2021: £2.434m).*

The funding plan is for the Scheme to hold assets equal to the value of the benefits earned by staff, based on a set of assumptions used for funding the Scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the Royal Opera House and Trustee agree on deficit contributions to meet this deficit over a period. As a part of the actuarial valuation with an effective date of 5 April 2021 the Trustee and the Royal Opera House have agreed that the Royal Opera House will make contributions to the scheme of £1.343m per annum from 31 July 2022 until 31 January 2037, increasing by 3.5% per annum. The Royal Opera House also makes contributions of £0.3m per annum to cover the expenses of running the Scheme.

The results of the formal actuarial valuation as at 5 April 2021 were updated to the accounting date by an independent qualified actuary in accordance with FRS 102, allowing for contributions, benefit payments made, and changes in market conditions. The results, based on assumptions used for FRS102, are as follows:

The amount included in the balance is as follows:

	28-Aug-22	29-Aug-21
	£'000	£'000
Fair value of plan assets	61,710	79,728
Present value of defined benefit obligation	(75,888)	(109,846)
Net liability recognised in the balance sheet	(14,178)	(30,118)

The movement in net defined benefit liability is as follows:

	52 week period ended 28-Aug-22	52 week period ended 29-Aug-21
	£'000	£'000
Opening net defined benefit liability	**30,118**	36,304
Cost in income and expenditure	**990**	970
Employer contributions	**(1,734)**	(1,840)
Amount recognised outside income and expenditure	**(15,196)**	(5,316)
Closing net defined benefit liability	**14,178**	30,118

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

31. Pension scheme (continued)

The amounts recognised in income or expenditure, in the Statement of Financial Activities are as follows:

	52 week period ended 28-Aug-22	52 week period ended 29-Aug-21
	£'000	£'000
Past service cost	**-**	60
Administration expenses	**481**	336
Interest expense	**509**	574
Total expense recognised in income or expenditure	**990**	970

Movement in present value of defined benefit obligation is as follows:

	52 week period ended 28-Aug-22	52 week period ended 29-Aug-21
	£'000	£'000
Opening defined benefit obligation	**(109,846)**	(107,848)
Past service cost	**-**	(60)
Interest on obligation	**(1,840)**	(1,702)
Actuarial gains / (losses)	**32,508**	(3,153)
Benefits paid	**3,290**	2,917
Closing defined benefit obligation	**(75,888)**	(109,846)

Movement in the fair value of the plan assets is as follows:

	52 week period ended 28-Aug-22	52 week period ended 29-Aug-21
	£'000	£'000
Opening fair value of plan assets	**79,728**	71,544
Interest on plan assets	**1,331**	1,128
Actual return less interest on plan assets	**(17,312)**	8,469
Administration expenses	**(481)**	(336)
Contributions by the employer	**1,734**	1,840
Benefits paid	**(3,290)**	(2,917)
Closing fair value of plan assets	**61,710**	79,728

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

31. Pension scheme (continued)

The current allocation of the Scheme's assets is as follows:

	28-Aug-22 Fair value	29-Aug-21 Fair value	30-Aug-20 Fair value
Asset distribution and expected return	**£'000**	£'000	£'000
Equities	**24,664**	25,700	20,270
Bonds	**12,661**	14,852	14,281
Property	**5,506**	1,745	1,626
Diversified Growth Fund	**7,063**	15,601	14,413
Liability Driven Investment Fund	**11,141**	21,294	19,990
Cash and net current assets	**675**	536	964
Total	**61,710**	79,728	71.544

The Scheme does not invest directly in property occupied by the charity or in financial securities issued by the charity.

The following table sets out the significant assumptions used for the plan:

Assumptions	**28-Aug-22**	29-Aug-21	30-Aug-20
Retail Prices Index Inflation	3.60%	3.30%	2.90%
Consumer Prices Index Inflation	2.70%	2.50%	2.10%
Discount rate	4.00%	1.70%	1.60%
Pension increases (according to increases under the scheme rules)	2.5/3.7/3.4/2.2% pa	2.5/3.5/3.1/2.1% pa	2.5/3.3/2.8/2.0% pa
Salary growth	n/a	n/a	n/a
Life expectancy of female / male aged 65 at the accounting date	24.4/21.8 years	24.4/21.8 years	24.4/21.8 years
Life expectancy of female / male aged 65 at 20 years from the accounting date	25.7/23.0 years	25.9/23.1 years	25.9/23.2 years

Future agreed contributions from the employer to be made to fund the deficit of the defined benefit scheme are as follows:

	£'000
Due within one year	935
Due between one year and two years	967
Due between two years and five years	3,110
Due after five years	12,896

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

32. Cash flows

a) Reconciliation of net outgoing resources to net cash inflow from operating activities

	52 Week Period Ended 28-Aug-22	52 Week Period Ended 29-Aug-21
	£'000	£'000
Net (expenditure) / income for the reporting period	**(4,876)**	6,899
Net cash (income) on Defined benefit pension scheme	**(744)**	(870)
Investment and finance interest income	**(743)**	(754)
Interest paid	**568**	60
Losses / (Gains) on investments	**648**	(4,462)
Donation of heritage asset	**(262)**	-
Loss on disposal of fixed assets	**4,347**	341
Depreciation charge	**8,587**	8,467
Amortisation of intangible fixed assets	**575**	887
(Increase) in productions in preparation	**(1,140)**	(1,470)
Decrease / (Increase) in stock	**185**	(17)
(Increase) / Decrease in debtors	**(4,793)**	3,135
Increase in creditors	**10,427**	593
Net cash provided by operating activities	**12,779**	12,809

b) Cash outflow from investing activities

	52 Week Period Ended 28-Aug-22	52 Week Period Ended 29-Aug-21
	£'000	£'000
Capital expenditure on tangible fixed assets	**(4,098)**	(2,293)
Capital expenditure on intangible fixed assets	**(173)**	(837)
Proceeds from sale of heritage assets	**-**	11,275
Disposals of investments	**-**	3,969
Finance lease interest and contingent rents received	**270**	270
Interest income received	**473**	484
Net cash (used in) / provided by investing activities	**(3,528)**	12,868

c) Cash inflow from financing activities

	52 Week Period Ended 28-Aug-22	52 Week Period Ended 29-Aug-21
	£'000	£'000
Cash inflow on receipt of borrowings	-	21,700
Cash outflow on repayment of borrowings	(102)	(102)
Net cash (used in) / provided by financing activities	**(102)**	21,598

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

32. Cash flows (continued)

d) Reconciliation of cash at bank and on hand per Charity's balance sheet and cash and cash equivalents per Group's cash flow statement

	Unrestricted	Restricted	Total 28 August 2022
	£'000	£'000	£'000
Cash at bank and in hand per Charity's balance sheet	**76,929**	-	**76,929**
Cash at bank and in hand in group undertakings			
ROH Endowment Fund 2000	2,455	330	**2,785**
Royal Opera House Enterprises Limited	139	-	**139**
Royal Opera House Holdings Limited	-	-	**-**
Royal Opera House Developments Limited	-	371	**371**
Cash and cash equivalents per Group's cash flow statement	**79,523**	701	**80,224**

	Unrestricted	Restricted	Total 29 August 2021
	£'000	£'000	£'000
Cash at bank and in hand per Charity's balance sheet	**63,865**	**-**	**63,865**
Cash at bank and in hand in group undertakings			
ROH Endowment Fund 2000	4,617	1,945	**6,562**
Royal Opera House Enterprises Limited	277	-	**277**
Royal Opera House Holdings Limited	-	-	**-**
Royal Opera House Developments Limited	-	371	**371**
Cash and cash equivalents per Group's cash flow statement	**68,759**	2,316	**71,075**

e) Reconciliation of net debt

	At 29 August 2021	Cash flows	At 28 August 2022
	£'000	£'000	£'000
Cash	33,800	9,149	42,949
Cash equivalents	37,275	-	37,275
	71,075	9,149	80,224
Loans falling due within one year	(102)	102	-
Loans falling due after more than one year	(23,647)	(5,545)	(29,192)
Finance lease obligations	-	(15)	(15)
Total net debt	**47,326**	**3,691**	**51,017**

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

33. Financial Instruments

Carrying amount, income, expense, gains and losses of the Group's Financial Instruments

Group	Carrying Amount Group 28 August 2022 £'000	Income earned Interest income/ (expense) £'000	Dividend income/ (expense) £'000	Net gains/ (losses) including changes in fair value £'000	Carrying Amount Group 29 August 2021 £'000	Income earned Interest income/ (expense) £'000	Dividend income/ (expense) £'000	Net gains/ (losses) including changes in fair value £'000
Measured at fair value through Statement of Financial Activities								
Financial Assets	**38,426**	**11**	**219**	**(649)**	**39,075**	**-**	**442**	**4,460**
Investments	38,426	11	219	(649)	39,075	-	442	4,460
Measured at undiscounted cash receivable/(payable)								
Financial Assets	**89,307**	**254**	**-**	**-**	**79,783**	**42**	-	**-**
Trade debtors	8,103	-	-	-	5,926	-	-	-
Accrued income & Other Debtors	980	-	-	-	2,782	-	-	-
Cash and cash equivalents	50,163	-	-	-	61,075	-	-	-
Short term investments: Deposits	30,061	254	-	-	10,000	42	-	-
Financial Liabilities	**(4,850)**	**-**	**-**	**-**	**(5,238)**	**-**	**-**	**-**
Trade creditors	(4,850)	-	-	-	(5,238)	-	-	-
Measured at amortised cost								
Financial Liabilities	**(22,980)**	**(567)**	**-**	**-**	**(23,023)**	**(60)**	**-**	**-**
Government loan	(21,700)	(509)	**-**	**-**	(21,700)	**-**	**-**	**-**
Mortgage loan	(1,280)	(58)	-	-	(1,323)	(60)	-	-

Financial assets carried at fair value (Investments) are measured at the quoted market price in an actively traded market. All investments are managed by reputable investment managers. Of the carrying amount at 28 August 2022 of £38.4m *(29 August 2021: £39.1m),* £18.1m *(29 August 2021: £18.4m)* is invested in markets outside of the UK. The changes to the fair value of those investments are all as a result of market risk (including foreign exchange risk). Immaterial amounts are due to credit risk. An immaterial liquidity risk exists due to the remote risk of not being able to repatriate funds.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

33. Financial Instruments (continued)

Carrying amount, income, expense, gains and losses of the Charity's Financial Instruments

Charity	**Carrying Amount**		**Income earned**			Net gains/ (losses)		**Carrying Amount**		**Income earned**			Net gains/ (losses)	
	Charity 28 August 2022 £'000		Interest income/ (expense) £'000	Dividend income/ (expense) £'000		including changes in fair value £'000		**Charity 29 August 2021 £'000**		Interest income/ (expense) £'000	Dividend income/ (expense) £'000		including changes in fair value £'000	
Measured at undiscounted cash receivable/(payable)														
Financial Assets	**85,773**		**281**	**-**		**-**		**73,043**		**59**	**-**		**-**	
Trade debtors	7,164		-	-	-	-		5,469		-	-	-	-	
Amounts due from subsidiary and associated undertakings	906		14	-	-	-		1,012		9	-	-	-	
Accrued income & Other Debtors	774		-	-	-	-		2,697		-	-	-	-	
Cash and cash equivalents	46,868		-	-	-	-		53,865		-	-	-	-	
Short term investments: Deposits	30,061		267	-		-		10,000		50	-		-	
Financial Liabilities	**(4,597)**		**-**	**-**		**-**		**(5,182)**		**-**	**-**		**-**	
Trade creditors	(4,597)		-	-	-	-		(5,182)		-	-	-	-	
Measured at amortised cost														
Financial Assets	**200**		**28**	**-**		**-**		**400**		**28**	**-**		**-**	
Amounts due from subsidiary undertaking	200		28	-	-	-		400		28	-	-	-	
Financial Liabilities	**(22,980)**		**(567)**	**-**		**-**		**(23,023)**		**(60)**	**-**		**-**	
Government loan	(21,700)		(509)	-		-		(21,700)		-	-		-	
Mortgage loan	(1,280)		(58)	-		-		(1,323)		(60)	-		-	

The financial asset measured at amortised cost above represents an inter-company loan between Royal Opera House Enterprises Limited (as borrower) and its holding company, Royal Opera House Covent Garden Foundation (Limited by Guarantee), entered into in January 2010. The unsecured loan bears interest at 2% above the Bank of England base rate, which management assess to be a commercial rate of interest. Due to the commercial rate of interest, the present value of the future cash flows approximates the carrying amount and thus the loan presents no current pricing risk. As the interest rate is a variable rate, the lender and borrower are exposed to interest rate risk.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

34. Consolidated statement of financial activities *for the 52 week period ended 29 August 2021*

	Note	Total Unrestricted Funds	Restricted Funds	Endowment Funds	52 week period ended 29-Aug-21 Total Funds
		£'000	£'000	£'000	£'000
Income					
Charitable activities					
Operation of Royal Opera House (including box office)	*3*	**6,619**	**-**	**-**	**6,619**
Government Grant	*5*	**-**	**10,636**	**-**	**10,636**
Donations and legacies					
Donations, legacies and similar incoming resources	*6*	**32,274**	**3,394**	**1,078**	**36,746**
Grants from Arts Council England	*4*	**24,472**	**740**	**-**	**25,212**
Other trading activities					
Commercial trading income	*7*	**4,324**	**-**	**-**	**4,324**
Investments	*8*	**532**	**222**	**-**	**754**
Total Income		**68,221**	**14,992**	**1,078**	**84,291**
Expenditure on:					
Charitable activities					
Productions, sales and operations	*9*	**(61,365)**	**(13,949)**	**-**	**(75,314)**
Raising Funds					
Generating voluntary income	*11*	**(3,115)**	**(294)**	**-**	**(3,409)**
Commercial activities	*12*	**(2,147)**	**(91)**	**-**	**(2,238)**
Restructuring	*15*	**(691)**	**-**	**-**	**(691)**
Interest payable	*16,25*	**(202)**	**-**	**-**	**(202)**
Total Expenditure	*14*	**(67,520)**	**(14,334)**	**-**	**(81,854)**
Net gain on investments	*19*	**-**	**286**	**4,176**	**4,462**
Net Income		**701**	**944**	**5,254**	**6,899**
Transfers between funds	*17*	**1,697**	**(1,697)**	**-**	**-**
Other recognised gains					
Gain on revaluation of heritage assets	*19,23*	**156**	**-**	**-**	**156**
Actuarial gain on the defined benefit pension scheme	*31*	**5,316**	**-**	**-**	**5,316**
Net movement in funds		**7,870**	**(753)**	**5,254**	**12,371**
Fund balances brought forward at 30 August 2020	*27*	**175,537**	**13,090**	**43,427**	**232,054**
Fund balances carried forward at 29 August 2021	*27*	**183,407**	**12,337**	**48,681**	**244,425**

35. Taxation

UK corporation tax charge and relief of £539,538 has arisen in Royal Opera House Enterprises Limited in the period in respect of current year profits *(52 week period ended 29 August 2021: tax charge and relief of £226,770).* No deferred tax has arisen in the period *(52 week period ended 29 August 2021: nil).*

36. Post Balance Sheet Event

In support of the Royal Opera House Covent Garden Foundation's Covid-19 recovery efforts the Trustees of the Royal Opera House Endowment Fund 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 all 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

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

in November 2022. The final approval of the sale was approved by the Trustees of the Royal Opera House Endowment Fund on 13 December 2022. The sale of the retail units finally went ahead on 28 February 2023. This sale is being treated as a non-adjusting post balance sheet event.

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

THANK YOU

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

The Royal Opera House gratefully acknowledges the generosity of all those who have provided support this period, including:

INDIVIDUALS

Spindrift Al Swaidi
Lady Ashcroft
Mrs Alfiya Askar Abulkhair and Timur Kuanyshev
Mr and Mrs Edward Atkin CBE
Ben Babcock and Debbie De Girolamo
Mikhail Bakhtiarov
Mercedes T. Bass
Geoff and Judith Batchelar
The John Beckwith Charitable Trust
The Regatta Foundation
Mr & Mrs Bolloré
Ingemo and Karl Otto Bonnier
Tim Ashley and John Booth
Katie Bradford
Alexandra Perricone
The John Browne Charitable Trust
Jennifer Bryant-Pearson and Leslie Perrin
Lady Rosemary Buchanan
The Bunting Family
Mr Paul Burbidge
John and Susan Burns OBE
Mrs Carolyn Calcutt
Ricki Gail and Robert Conway
Kirsty Cooper
Liz Cratchley OBE
Peggy Czyzak Dannenbaum
Christian and Béatrice Schlumberger
Sir Mick and Lady Barbara Davis
Baron and Baroness de Gunzburg
Geoffrey and Caroline de Jager
Sir Lloyd and Lady Dorfman OBE
Peter and Fiona Espenhahn
Graham S Fletcher
Louise Fluker
Mrs Aline Foriel-Destezet
Hamish and Sophie Forsyth
David and Sarah Fransen
Philipp Freise
Francesca Fremantle
Gini and Richard Gabbertas
Alex and Elena Gerko
Beth and Gary Glynn
Joan Granlund
Kenneth and Susan Green
Sandra and Anthony Gutman
Gareth Hadley
Charles and Kaaren Hale
Pauline and Peter Halliday
Angela Hamilton
Sarah and Nigel Hammond
Guy and Julia Hands
Richard Hayden
Rick and Janeen Haythornthwaite
Roger and Alison Heath
Marlies Hensel

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Malcolm Herring
Mr Rod Hill
Marina Hobson OBE and The Hobson Charity
Charles Holloway
Martin and Jane Houston
Alan and Caroline Howard
Lady Joan Jarvis CBE
Aud Jebsen
Mr and Mrs Christopher W.T. Johnston
Mrs Philip Kan
Ralph and Yolande Kanza
David and Clare Kershaw
Dame Zarine Kharas, DBE
Doug and Ceri King
Tessa and Charles King-Farlow
George Kingston
The Kirsh Foundation
Mr and Mrs Aboudi Kosta
Lord and Lady Laidlaw
Rena and Sandro Lavery
Alan G. Levin
Ida Levine
Dr Gwen Lewis and Dr Jonathan Holliday
Dr and Mrs Peter James Linden - Faith Golding Foundation
The Estate of Mrs Gertrude Mary Looi
Beth Madison
Peter and Elisabetta Mallinson
Bob and Tamar Manoukian
The Margulies Family
Crevan O'Grady & Jane McClenahan
John McGinn and Cary Davis
Alan McLean
Isabelle and Adrian Mee
Bertrand and Elisabeth Meunier
David and Amanda Milne
The Mohn Westlake Foundation
Dr Patrick Mueller
Trifon and Despina Natsis
The Mark Nickerson Charitable Settlement
The Rachel Charitable Trust
Chris and Kathleen O'Kane
Mrs Susan A. Olde OBE
Mr Stefan Sten Olsson and Mr John Tierney
Astrid and Ulf Pagenkopf
Marian and Gordon Pell
Guy and Nathalie Perricone
Nicholas and Suzanne Peters
Basil and Maria Postan
Mr and Mrs Pozzi
Melinda and Donald Quintin
Julia and Hans Rausing
Dr Barbara Reed
Yvonne and Bjarne Rieber
Sir Simon and Lady Robertson
Sir Simon and Lady Robey
Mrs Bonnie Robinson
Kristina Rogge
The Gerald and Gail Ronson Family Foundation
Georgia Rosengarten

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

The Sargent Charitable Trust
Benoît and Catherine Savoret
John and Tita Shakeshaft
Louise Sheaves
Sue Sheridan OBE
Susan and John Singer
John and Mariavittoria Slamecka
Lady Slynn of Hadley
Michael Smith
Christopher and Sarah Smith
Mary Stassinopoulos
Rachael Stearns
Stuart and Jill Steele
Sharon and Van Stults
Dr. Barbara Sturm
Mrs Trevor Swete
Jennifer Taylor
Tina Taylor and The Taylor Family Foundation
Malcolm and Alison Thwaites
Lindsay and Sarah Tomlinson
Eric Tomsett
Professor Michael Trimble
John G. Turner & Jerry G. Fischer
Stephanie Tyrer
Jane Van Ammel
Patrick Waller
Adrienne Waterfield
Derek and Sheila Watson
Simon and Glenda Weil
The Late Tony Welsh
Anna and Paul White MBE
Nick and Juliet Wilkinson
Peter Harrison and Fiona Willis
Charles Wilson and Rowena Olegario
Danny and Lillan Wyler

Anonymous (16)

TRUSTS AND FOUNDATIONS

The Amar-Franses & Foster-Jenkins Trust
The Archie Sherman Charitable Trust
Banham Charitable Foundation
The Deborah Loeb Brice Foundation
The Derek Butler Trust
The Candide Trust
The Clore Duffield Foundation
Dunard Fund
The Gatsby Charitable Foundation
The Gordon Foundation
The Headley Trust
The Helen Hamlyn Trust
The Idlewild Trust
The JP Jacobs Charitable Trust
The Marina Kleinwort Trust
The Linbury Trust
The Mouth and Foot Painting Artists Trust
Oak Foundation
Orinoco Foundation

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

The Paul Hamlyn Education Fund
PRS for Music Foundation
Rothschild Foundation
The Jean Sainsbury Royal Opera House Fund
Garfield Weston Foundation
The Woodward Charitable Trust
The Worshipful Company of Spectacle Makers Charity

CORPORATE

American Express Services Europe Ltd
Boodles
BP
Dior
Coutts & Co
Goldman Sachs
Rosh Mahtani, Alighieri Jewellery
Quintessentially
Ruinart
Rolex
Van Cleef & Arpels
Zürcher Kantonalbank

SEASON PATRONS

Lady Gavron
Mrs Alfiya Askar Abulkhair
Mrs Susan A. Olde OBE
Rolex
Rothschild & Co
Mrs Lily Safra (deceased July 2022)
Sir Brian Williamson CBE and Mrs Caroline Hoare

FIRST NIGHT PATRONS

Lord Brownlow
DMGT PLC
The Dow Clewer Foundation
Dr Genevieve and Mr Peter Davies
Sir Mick and Lady Barbara Davis
Josh Harris and Layla Nemazee Harris
Charles Holloway
Torquil McAlpine and Hyon Mi Rho

SUPPORTING ORGANISATIONS

AMERICAN FRIENDS OF COVENT GARDEN BOARD

Mercedes T. Bass, *Chairman*
Alex Beard CBE
Sir Simon Robey
G. Scott Clemons, *Treasurer*
Susan S. Braddock
Peggy Czyzak Dannenbaum
Misook Doolittle
Lord Eatwell
HRH Princess Firyal of Jordan
Beth W. Glynn
Joan Granlund
Frederick Iseman

DocuSign Envelope ID: AD2BA981-D3DF-4247-A5B7-55E3C4BA3749

Bruce Kovner
Alan G. Levin
Beth Madison
John P. McGinn
Mrs Susan A. Olde OBE
John G. Turner
David A Shelvin, *Legal Counsel*
Milena Sales, *Secretary and Executive Director*

ROYAL OPERA HOUSE COVENT GARDEN FOUNDATION

England & Wales - Charity number 211775

Accounts

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

ROYAL
OPERA
HOUSE

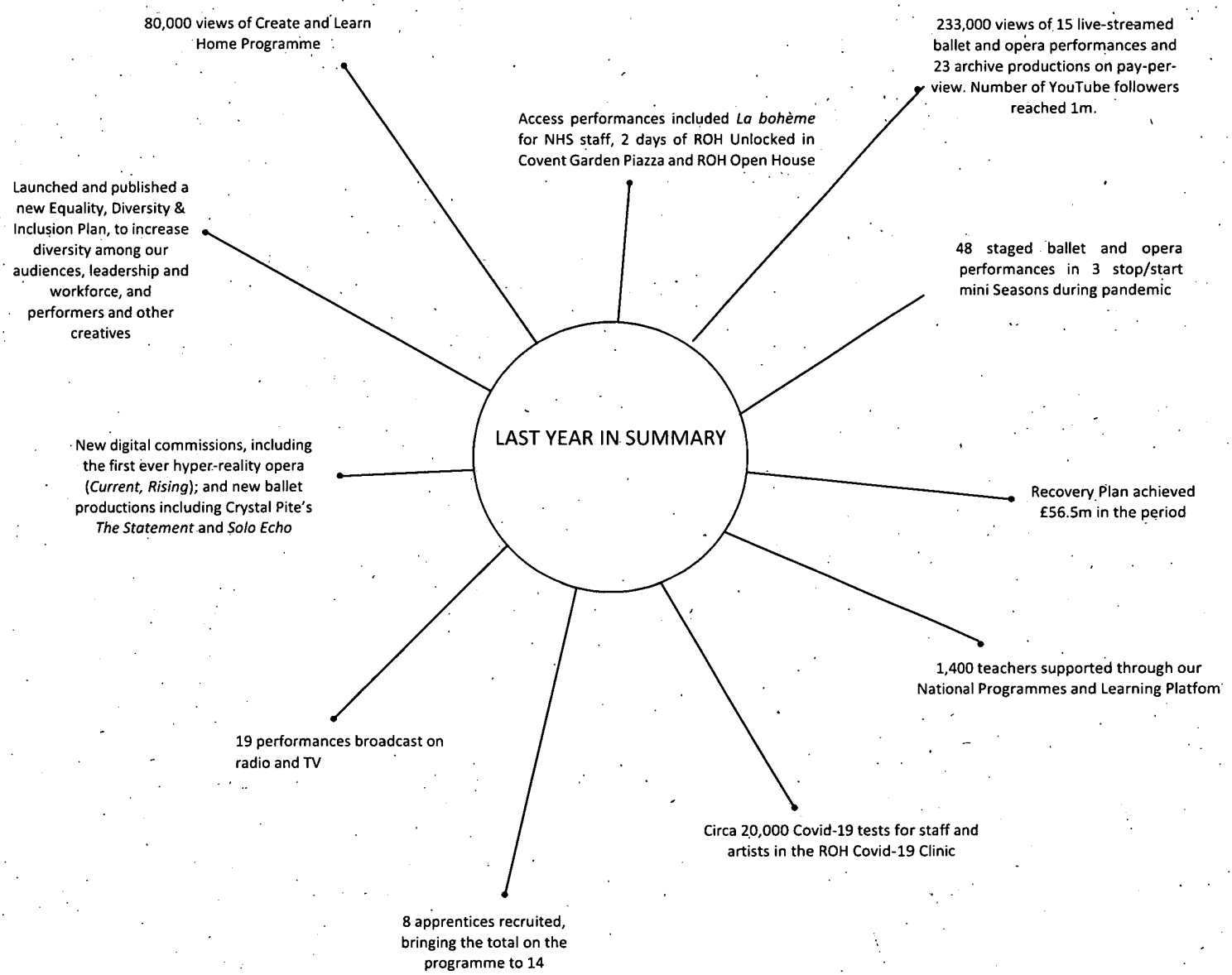
THE ANNUAL

REPORT

2020/21

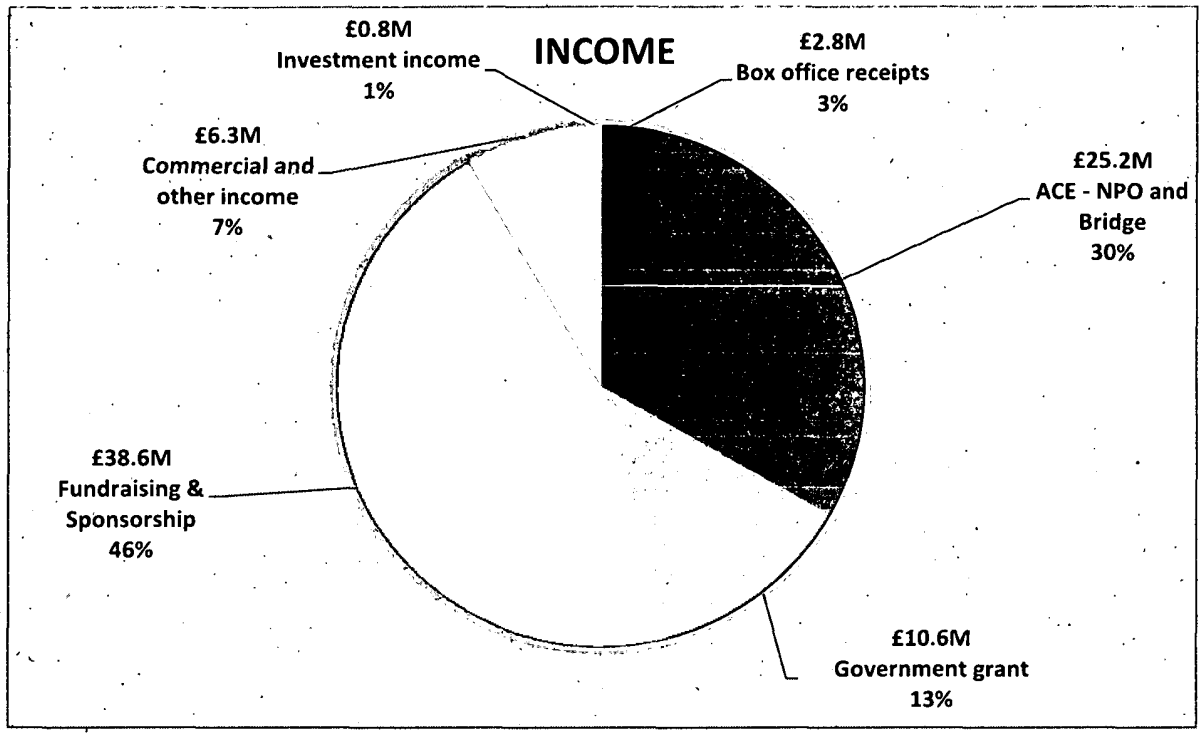
WEDNESDAY
AB4RF9DU
A11 25/05/2022 #233
COMPANIES HOUSE

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

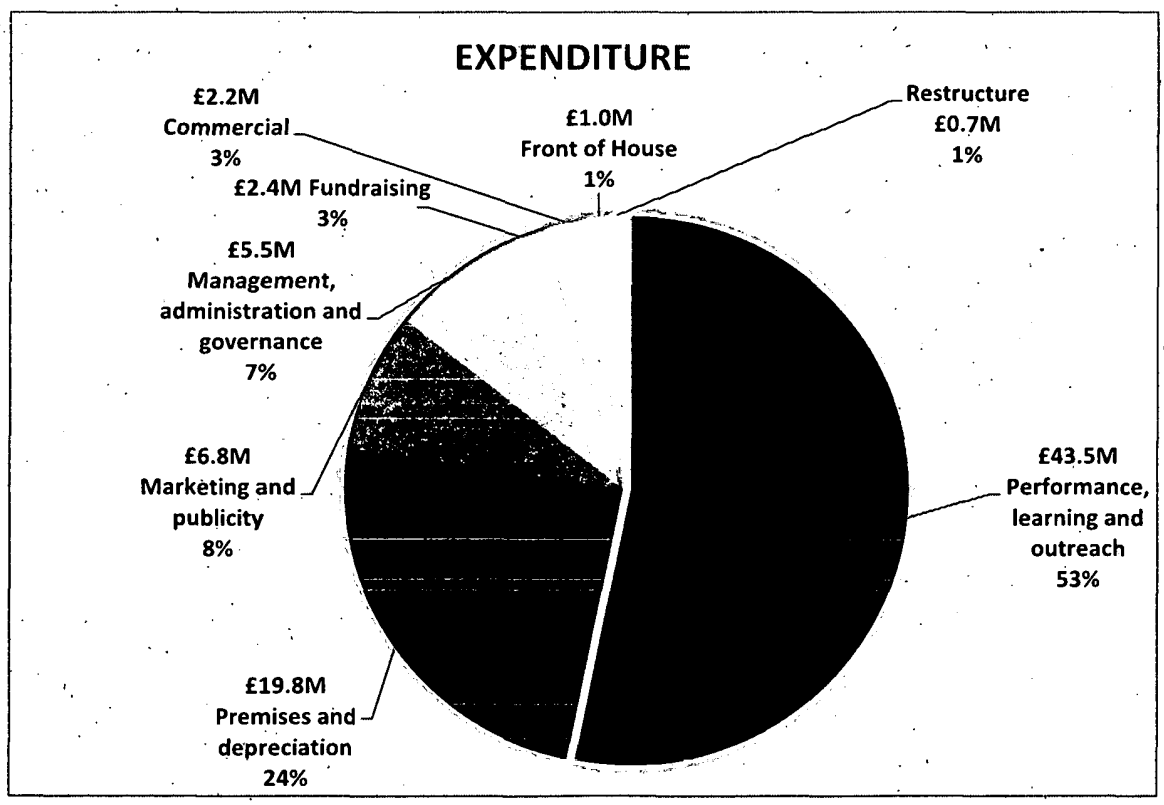


DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

INCOME 2021



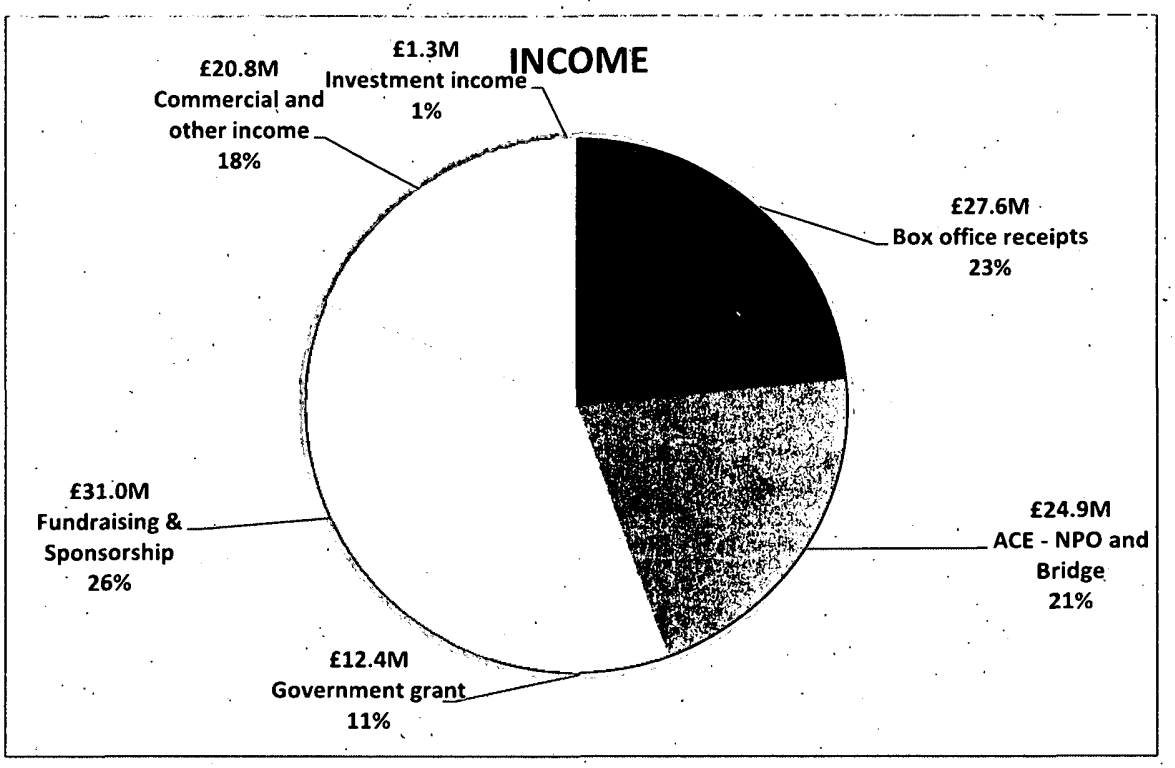
EXPENDITURE 2021



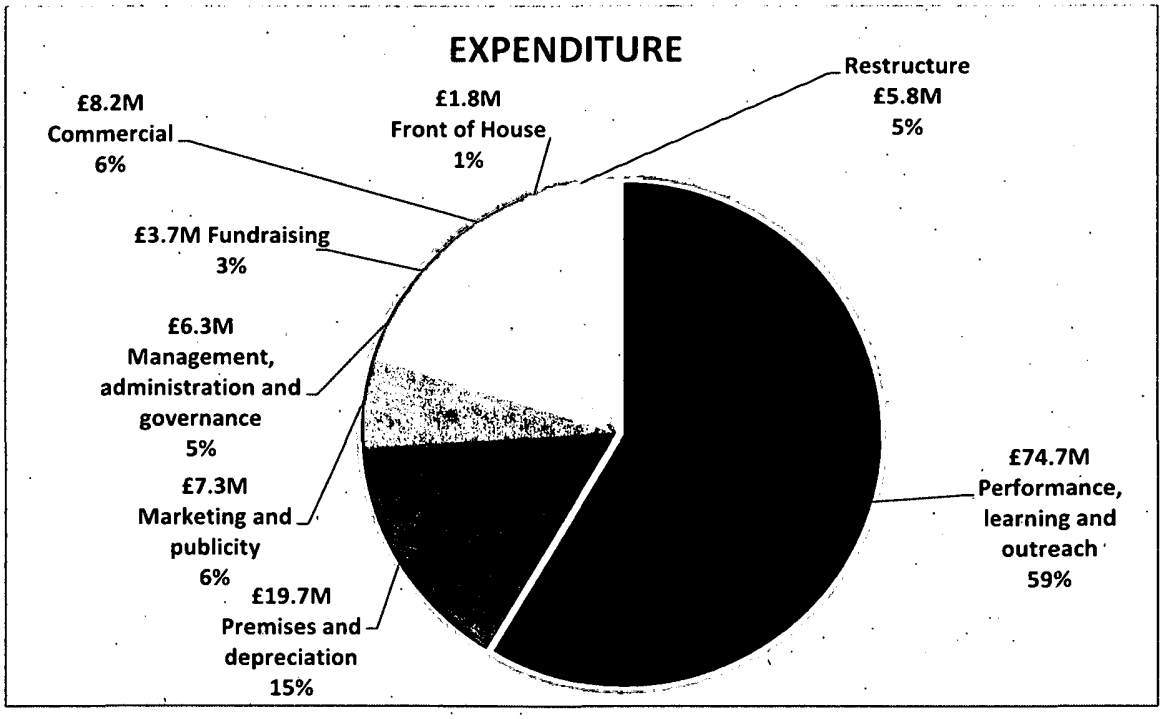
Total income £84.3m, including capital donations and funding of £0.5m. Total expenditure £81.9m, excluding capital expenditure. Figures exclude gains on investment, taxation and fund transfers.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

INCOME 2020



EXPENDITURE 2020



Total income £118.1m, including capital donations and funding of £0.5m. Total expenditure £127.5m, excluding capital expenditure. Figures exclude gains on investment, taxation and fund transfers.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

TIMESCALE FOR THIS REPORT

The Trustees are pleased to present their report together with the audited financial statements of the Royal Opera House Covent Garden Foundation for the 52-week period ended 29 August 2021.

The comparative period is the 53-week period ended 30 August 2020.

This document will be filed with the Charity Commission and the Registrar of Companies.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

SIR SIMON ROBEY *Chair*

Welcome to the Royal Opera House Covent Garden Foundation (Limited by Guarantee) 2020/21 Annual Report.

Due to the vagaries of company administration timetables this is the third consecutive Royal Opera House Annual Report to be completed in the shadow of the Covid-19 pandemic. The period it covers, including the 2020/21 Season, has been a profoundly difficult one for the House. I would therefore like to extend my gratitude to everyone who has contributed so much to securing the survival of the ROH and to putting it on a sustainable footing for the future. It has been a privilege to have worked with such a dedicated and talented team.

During the period of this report David Ross stood down as Chair and I agreed to take up the role again, for a limited period. I would like to reiterate my thanks to David for his leadership and guidance.

In the 2020/21 Season, much reduced as it was, the quality and range of work that emerged was remarkable. It was inspiring to observe the House being opened whenever it was possible, the extension and growth of our digital and other remote offerings, and adjustments made to productions and audience facilities, often at the last minute, to accommodate rapidly changing circumstances. I offer my huge congratulations to our staff and my thanks to everyone who has supported us and shown such patience and understanding despite the disruption and uncertainty.

At the time of writing our House is open. There are signs that plans for the future can be made without the shadow of Covid and from our position as a truly world-class artistic institution. That said we still face many challenges. Notwithstanding the support from HMG, ACE, our patrons, friends and others, to each of whom I offer deep gratitude, we inevitably emerge from the pandemic in a less robust financial position than we would like. We remain reliant of the continued support of ACE and all of you. The team also instigated a far-reaching restructuring of the organisation to ensure our long-term viability and preparedness to respond to a rapidly changing world. Many colleagues have sadly left us and I would like to pay tribute to their hard work and contribution over many years. They will be missed.

The appalling events unfolding in Ukraine following the Russian invasion present new difficulties. Our thoughts are above all with those in our community of staff and artists, and amongst our audience and supporters whose friends and family are directly impacted. We will do what we can to show our solidarity and to offer support. Looking further ahead, the attending geopolitical uncertainty, and longer-term economic impacts will test anew the resilience and determination of the Royal Opera House team.

There are other changes ahead. We will have a new Chair and we will complete the search for a new Music Director to replace the extraordinary Antonio Pappano who has been with us since 2002. But Tony will remain at the helm until 2024, and we hope to see him in the pit often for many, many years beyond that. Both recruitment processes will happen this year.

There is much for us to look forward to over the coming Seasons.

Sir Simon Robey
29 March 2022

ALEX BEARD *Chief Executive*

The 2020/21 Season was amongst the most challenging in the Royal Opera House's history. For most of it we were unable to welcome audiences into the building and could perform on stage only sporadically. *The Nutcracker,* our Christmas favourite, ran for only 4 performances out of a scheduled 17, for example. Aside from the many lost productions and performances – many of which were in the advanced stages of preparation and will be revisited in future Seasons – our ability to engage more generally with audiences that would normally include schools, young people and the wider community, was severely curtailed.

Nevertheless, against considerable odds, we continued to produce outstanding work and extend access to our art forms both physically and digitally, working with leading artists and technicians from across the UK and internationally. In all we staged 48 ballet and opera performances in three stop/start mini-Seasons.

In October 2020, The Royal Ballet's first performance in over 6 months was a poignant selection of excerpts curated by Kevin O'Hare, Director of The Royal Ballet opening, appropriately, with Tchaikovsky's overture from *The Sleeping Beauty*. *The Royal Ballet: Back on Stage* was performed in front of an invited socially distanced audience including specially invited health workers, with the orchestra scattered throughout the stalls, and was streamed worldwide.

A re-worked *Nutcracker* provided some festive relief while the first show in 2021, *21st-Century Choreographers*, was a showcase of contemporary work by Christopher Wheeldon, Crystal Pite and rising star Kyle Abraham. In a second programme we honoured the American giants of dance George Balanchine and Jerome Robbins. It wasn't until June that we could welcome a full house and the *Beauty Mixed Programme* was a fine celebration of the breadth of The Royal Ballet's heritage and repertory.

In April, we learned of Liam Scarlett's tragic death. He was an exceptional talent who had a long history with the Company both as a dancer and as a choreographer. Our deepest sympathies remain with Liam's family, his friends and all others affected.

Opera returned to the House amidst lockdown in September 2020 with The Royal Opera: Live in Concert, a programme of classic excerpts curated by The Royal Opera's Director of Music Antonio Pappano, streamed online. In October socially distanced audiences returned for *4/4* a quartet of staged songs and cantatas, by Handel, Gruber, Barber and Britten. New talent then took centre stage in a two-opera programme – *The Knife of Dawn,* a one-person chamber opera by Hannah Kendall set in the prison cell of a Guyanese political activist and poet, and *A New Dark Age*, a music drama incorporating work by Missy Mazzoli, Anna Meredith and Anna Thorvaldsdottir. In November, during the Season's second lockdown, we streamed a concert performance of Handel's gripping *Ariodante,* his first written for Covent Garden, in its first presentation here since 1735.

In April 2021, the Jette Parker Young Artists performed a Weill and Brecht mixed programme of the satirical *The Seven Deadly Sins* and *Mahagonny Songspiel*. Live audiences returned in May, albeit to an auditorium at half capacity, for Richard Jones's new production of Mozart's last opera seria *La clemenza di Tito*. Eight performances of *La bohème* included a special performance thanking NHS workers, and the last operatic performance of the Season on the Main Stage came from the Jette Parker Young Artists in their annual summer show, once again showcasing the stars of the future.

Other opera projects included *8Bit*, a series of eight works for an exclusively online audience in the form of short films, audio performances and a web browser experiment. In May, we were at last able to open *Current, Rising*, the world's first opera experience in hyper reality, in a special staging within the Linbury Theatre. Although developed before Covid-19, this ground-breaking project took four audience members at a time on a 15-minute operatic journey combining virtual reality with multisensory effects.

We continued to extend our reach through broadcast and digital channels. The #OurHouseToYourHouse digital programme, launched during the first lockdown in the Spring of 2020, established a home for full-length performances, concerts, mini-documentaries and interactive activities for children, generating more than 206 million views from 183 countries. In the 2020/21 Season there were 15 live-streamed performances of ballet and opera and 23 archive productions on pay-per-view. For the first time, during this period, more than 1 million people subscribed to our YouTube channel. Meanwhile our Create and Learn online programme provided much needed educational resources for parents to home-school their children, and 1,400 teachers accessed content through our online Learning Platform to support remote lessons in schools across the country.

Away from the stage our first priority was to secure our survival, and then to establish long-term viability in a changed, and ever-changing, environment. Our income was dramatically reduced due to performing restrictions with every possible effort extended to sustain our core community of artists craftspeople and backstage staff through the year.

We again welcomed government support via the Coronavirus Job Retention Scheme for furloughed staff, a loan through the Cultural Recovery Fund, as well as continued support from Arts Council England. We embarked on a major fundraising campaign and completed the sale of the David Hockney portrait of our former chief executive Sir David Webster. Sadly, we also lost large numbers of staff through a large-scale organisation wide redundancy and restructuring programme.

We worked closely with our Trades Unions to achieve these changes and to manage the inevitably painful process in as fair and equitable way as possible, addressing gender pay issues and sustaining the organisation's overall protected characteristic employee profile, all as validated through a comprehensive Equality Impact Assessment of proposals and outcomes. The support that the Royal Opera House Benevolent fund was able to offer casual and freelance staff, in particular, was deeply appreciated. In all around 25% of permanent staff left the ROH, alongside many more in our casual workforce.

These efforts enabled us to survive financially, to continue to serve audiences and to deliver public benefit, including through our Learning and Participation programmes. The long-term health of ROH also depends on the application of our values. The ROH has a long-standing commitment to equality, diversity and inclusion and the events of the past 24 months highlighted further the stark disparities of lives between communities in the UK. We began to implement a new Equality, Diversity and Inclusion plan including many initiatives to improve the way we recruit, develop and retain staff from diverse backgrounds. Environmental sustainability is now a central consideration of all our activities, as we strive to reduce our own carbon footprint.

It was an enormously difficult period for the ROH team in practical terms, whether navigating the challenges of remote home-working in cramped accommodation, coping with salary reductions or adapting to Covid-safe working practices as we returned to site: rehearsing in masks, performing in artistic bubbles, working around office capacity constraints, adapting air handling systems or managing the logistics of carrying out over 20,000 Covid-19 PCR tests on those working in close contact. The patience, dedication, professionalism and creativity shown by all was truly inspiring.

Many challenges lie ahead. We will be dealing with the after-effects of the pandemic for many months, if not years to come. The humanitarian crisis in the Ukraine has an immediate impact on staff and artists with friends and family at risk, and potential long-term consequences for the economy and confidence more generally. There is also a likely significant real-terms reduction in our Arts Council Funding to manage in the years ahead. We will do what we can to address these challenges, while continuing to present work of the very highest quality with the extraordinary community that is the artists, craftspeople and staff here.

I also extend my gratitude to our loyal audiences, collaborators, friends and patrons. Your support and generosity has been truly exceptional, and is now more important and more deeply appreciated than ever. All of us on the ROH team are enormously grateful, and we look forward to making wonderful opera and ballet together for many years to come.

Alex Beard, Chief Executive, 29 March 2022

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Our mission

Our mission is to enrich the cultural life of the nation by growing the public enjoyment and appreciation of exceptional ballet and opera.

Our vision

We aspire to be a global centre of excellence for the great art we produce and for the inclusive way we do it. We want to grow our reputation still further, demonstrating our social and environmental responsibility.

How we achieve our mission and vision

We are home to three of the world's great performing art companies: The Royal Ballet, The Royal Opera and the Orchestra of the Royal Opera House. We tell stories that speak to the universal themes that move us all (love and hate, revenge and reconciliation, hope and fear), from the great works of the past to new commissions, reflecting contemporary culture and concerns. Our theatres are in London's Covent Garden but our work is accessed and experienced across the UK and globally through touring partnerships, cinema programmes, radio, TV and online-streaming.

We aim to be a leading artistic force that takes calculated risks, both to invest in the artforms of the future and to sustain the existing repertory for new audiences. We work with the best creative teams and performers from around the world, consistently achieving the highest standards of stagecraft, and embedding constant improvement into our processes and culture. We have worked hard to maximise our reach, despite the pandemic, by providing access to our artforms online. Artistic excellence stretches beyond our Main Stage and the often more experimental Linbury Theatre, to our foyers and public spaces as well as outside our building.

We have invested in strengthening our capabilities in data generation and analysis to ensure we are capturing and responding to audience feedback, both from those who already engage with our artforms and those who currently do not, so that we have the information we need to continually improve.

We are a National Portfolio Organisation, supported by the British public via Arts Council England, and a registered charity, receiving donations from those who share our ambitions.

Challenges

The tumultuous events of the past 24 months have highlighted stark disparities in the lives of the UK's various communities, often determined by ethnic and socio-economic background. There is a lack of equity in the provision of arts education in schools and a lack of diversity among those participating in classical singing and ballet. This is having a direct impact on the talent pipeline and on the audiences and artists of the future. Diversifying participants in the arts is one of the most pressing issues of our time. So, in 2020/21, as well as continuing to focus on artistic excellence on our stages, performing when we could, we also prioritised achieving positive societal impact. We have a long track record of running programmes to widen access, including with young people through our national programme with schools across the country, which we continued to deliver despite the restrictions resulting from lockdown.

The following pages expand on the ways in which we worked to uphold our priorities and values throughout the 2020/21 Season, despite the challenges, and how we continued to deliver public benefit, finding new ways to serve our audiences, support those who needed it, including home-schooling families, and to ensure we can get back to a sustainable position as quickly as possible.

Looking ahead to 2021/22 and beyond, significant financial challenges remain despite the success of our Recovery Plan (asset sales, major fundraising campaign and organisational restructure, and the CRF loan), Emerging major risks include:

- Increasing inflation, conservatively 5-7% pa – driven by rising energy costs
- At best a static Arts Council England grant from 2023, which could be a real term reduction of circa £1.2m per annum to our grant

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

- Geo-political uncertainty following the Russian invasion of Ukraine impacting fundraising confidence

For our 2021/22 financial year we are forecasting an income and expenditure deficit as audiences rebuild post-pandemic, covered by Recovery Funds. In addition, we have a major capital investment need to replace and upgrade end life building and equipment. We aim for ROH's operating position returning to a break-even position in future years, the pace of which will be governed by the factors above.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

OUR PRIORITIES

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Our overriding objective in 2020/21 was to ensure the long-term viability of the ROH, as it soon became clear that the pandemic would have severe long-term impacts. We also remained committed to continuing to serve audiences and support our community of staff and artists. We implemented a comprehensive Recovery Plan which included:

- Major changes to our organisational strategy and operating model, significantly reducing costs, while simultaneously, keeping the core of the organisation intact so that we could return to performing at scale. This included a restructuring with over 25% staff reduction, changes to contracts, implementation of new working practices, and a reduction in all salaries over £75,000
- Disposal of assets – the sale of the David Hockney painting of Sir David Webster
- A major fundraising campaign that included asking for additional donations, and agreeing redeployment of gifts already donated or committed to support recovery
- Government support, through the Coronavirus Job Retention Scheme and a loan from the Cultural Recovery Fund, as well as the continuing grant support from ACE – for which we are deeply grateful

While this Recovery Plan was being implemented, we kept close to our audiences and artists online, continuing to show performances through digital streaming and on radio and TV. We also continued to support schools, families and communities by engaging them with digital content and activities. With the gradual easing of lockdown restrictions, in Spring 2021 we were able to open our doors again to audiences, albeit at significantly reduced capacity in order to meet social distancing requirements.

Our priorities included the following:

Artistic Excellence

We consistently reflect today's best people and ideas, appealing to the broadest possible audience. This includes:

- **Balanced programming** on our stages when we were able to perform, but also via digital channels, cinema, radio and TV and in our public spaces. Our goal was to continue to serve audiences, despite lockdown restrictions (the Appendix at the end of the Achievements section sets out what the ROH were able to perform in Season 2020/21)
- **Championing talent,** including foregrounding our Jette Young Artists Programme and offering employment to as many performers and freelancers as possible
- **New and under-represented artists** – we continued to deliver programmes designed to support career progression of artists, including women though our Engender programme, and aiming to increase the ethnic diversity of our performers

Outcomes summary: we maintained audience satisfaction; gave new opportunities to diverse creatives and performers; and we increased access to performances online.

Opening Up and Equality, Diversity and Inclusion

We open up all aspects of the ROH so we can touch more people's lives and create a deeper sense of belonging.

We continued to welcome people into our building when we could, with daytime opening. We ensured there were tickets available at affordable prices for performances on our stages and for those that were broadcast via digital channels. We gave special performances for NHS staff who had done so much to support the nation during the pandemic.

We are committed to providing engagement opportunities for the potential performers of the future, as well as audiences of the future, including school pupils, with a focus on those from less well-off socio-economic and diverse ethnic backgrounds.

We increased staff involvement in conversations, seeking to surface issues of concern to them and to talk about potential solutions. In summary, we aim to welcome people to us, whether they are audiences,

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

performers, other creatives or our workforce, ensuring everyone is treated with respect. As part of that, we launched a new Equality, Diversity and Inclusion (EDI) Plan that includes a commitment to listening more closely to the views of those who engage with us and responding to what we hear.

Our priorities included:

- **National participation** – we continued to support teachers across the country to bring ballet, opera and theatre-craft into classrooms nationwide and to connect with under-served communities
- **Audience development** – we started a process to identify barriers to engagement with our artforms and to develop strategies to address them. The pandemic was a catalyst for us to expand our digital output; analysis demonstrated that this enabled us to extend our reach geographically. Even as we open the building again, we are continuing to develop our digital offer, building on what we learnt during the pandemic
- **Supporting the sector** – we engaged proactively with peer artistic organisations and the wider sector to share what we learnt, for example working within government Covid-19 guidelines and processes to keep staff, artists and audiences safe; and we continued to partner on Engender, our initiative to change gender imbalance in opera and music theatre
- **Inclusive workforce** – we began to implement the new Equality, Diversity and Inclusion plan, which focuses on improving the way we recruit and retain staff from diverse backgrounds

Outcomes summary: we supported schools and home-schooling families with digital content, growing our engagement with young people and their families, schools and communities and supporting them to dance and sing and enjoy our artforms. We increased access to our art forms via digital channels. We strengthened our relationships with the sector. We began to implement our new EDI plan, including compulsory anti-racism training for all recruiting managers.

Revenue Growth

We increase overall income through compelling story-telling, ambitious partnerships and joined-up sales.

Given the impacts of the pandemic on box office revenue, we focussed heavily on maximising income from a variety of other sources to support the long-term viability of the organisation, ensuring we have a sustainable income base to enable us to deliver our other objectives in the future.

This included:

- **Customer spend** – opening our doors whenever we could. However, our box office income shrank by 94% over the Season compared with the last full Season before lockdown, and hospitality and retail sales fell in line
- **Endowment** – our longer-term goal is to double the ROH Endowment and increase the income it will generate for future activity. However, given the financial implications of the pandemic, we also focussed on redeploying some of the endowment as part of the Recovery Plan
- **Recovery Campaign** – we redoubled our efforts to raise funds through philanthropic giving
- **Grant from Arts Council England** – we drew down our 2020/21 grant and secured a roll-over grant for 2021/22

Outcomes summary: although overall, income dropped significantly, by the end of 2020/21, we were well-placed to achieve our goal on the Recovery Campaign in 2021/22.

Organisational Health

We undertook a major restructuring programme to ensure the long-term financial viability of the organisation.

We reviewed all our activities and made difficult decisions that affected all areas of the organisation. In conducting the review, we recognised that, post lockdown, we couldn't simply return to 'normal'. We needed

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

a lasting restructure to address pre-existing financial pressures that were exacerbated by the pandemic, and to anticipate the future impact on our audiences and commercial model in the months and years ahead.

We worked closely with our Trades Unions to achieve realistic structural and contractual changes to the way we work, while maintaining our ability to deliver world class performances. These contractual changes enabled us to achieve short-term operational savings, which will secure and protect jobs in the long-term.

Outcomes summary: a total of 272 employees left between July 2020 and November 2020 (25% of staff). Having carried out an Equality Impact Assessment of the restructuring process, we are confident that the organisation's overall protected characteristic employee profile was not disproportionally impacted.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

ACHIEVEMENTS

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

ARTISTIC EXCELLENCE

Balanced Programming

When lockdown restrictions permitted, we performed contemporary works and repertory classics live on stage at the ROH as set out below. In total, though we had to cancel or postpone a significant number of productions and performances, we gave 48 on-stage performances.

We had to make adjustments to all the productions we were able to put on – for example, a pared-back production of Mozart's *La clemenza di Tito* - to meet government guidelines and honour our firm commitment to the safety of our audiences and performers . Nevertheless we maintained broadly the same level of audience satisfaction as for the last full year before the lockdown. The responses from ballet and opera critics and the enthusiasm of audiences was extremely pleasing.

Ballet

The 2020/21 Season opened on 9 October 2020 with *The Royal Ballet: Back on Stage*, an exhilarating programme presenting the Company's world-class dancers at their dazzling best and highlighting the broad artistic breadth of The Royal Ballet's repertory. It was performed before a pilot audience and streamed worldwide. The repertory featured socially distanced group works as well as solos and pas de deux. The evening was dedicated to Ian Taylor, former Chairman of the Board of Trustees, in recognition of his longstanding service, philanthropy and advocacy for the work of The Royal Ballet.

In November, two programmes of repertory highlights were presented in *The Royal Ballet: Live. Each programme* closed with a one-act ballet (Kenneth MacMillan's *Elite Syncopations* in Programme A and Christopher Wheeldon's *Within the Golden Hour* in Programme B). In light of the national lockdown that month, an expanded live performance Programme A was given on 4 November and a streamed performance of Programme B on 13 November. This second programme included a new short work by Valentino Zucchetti, *Scherzo*, which went on to win a Southbank Sky Arts Award and was a highlight later in the Season at Darcey Bussell's British Ballet Charity Gala at the Royal Albert Hall.

The Nutcracker was brought to the stage for the festive season in a 'reworked' version to make it Covid-safe, including a reduced number of Royal Ballet School students and a new battle scene choreographed by Will Tuckett. We presentedfour of the 17 scheduled performances of *The Nutcracker* before the production had to be cancelled because of stricter lockdown measures with the UK's move into Tier 4.

Creativity continued to shine in online programming including in the Company's choreographic platform, *Draft Works*, which was presented as a film with content generated by some of the dancers during lockdown. A stream of *Spring Draft Works* followed with a programme created specially for the Main Stage. A third programme was developed for a live audience with external choreographers including Jason Kittelberger, Dickson Mbi, Hannah Rudd and Didy Veldman, but this had to be cancelled due to scheduling issues arising from the pandemic.

Other strong online content included World Ballet Day, the enduringly popular online celebration of dance, which took place on 29 October 2020, highlighting young and diverse talent and female choreographers. Royal Opera House Insights included a discussion with six dancers for Black History Month around influences in their lives and the Black Lives Matter movement. A *Meet the Young Dancers* Masterclass Insight introduced audiences to the youngest dancers in the Company. In April, two special pop-style projects commissioned by The Royal Ballet were filmed on the Main Stage, *Lyssa* choreographed by Lynne Page with singer Nadine Shah and 17 dancers, and Arthur Pita's *Agnus Dei*, a collaboration with singer and composer Rufus Wainwright featuring Leo Dixon. Royal Ballet dancers also participated in The Royal Opera's *8bit* digital initiative.

Dancers returned to the stage to perform for live audiences in May and June in three rich programmes spanning 19th-century classics, works by American master choreographers of the 20th century and choreographers working today. The 21st-Century Choreographers Programme featured a new ballet by American choreographer Kyle Abraham, *Optional Family: a Divertissement* and two works by Crystal Pite that were new to the Company, *The Statement* and *Solo Echo*. The 'Balanchine and Robbins' Programme included Balanchine's *Apollo* and *Tchaikovsky Pas de Deux* and Robbin's *Dances at a Gathering*. This was followed by the 'Beauty Mixed Programme', featuring the world premiere of Valentino Zucchetti's *Anemoi* (a

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

choreographic development of *Scherzo*), Wayne McGregor's *Morgen*, MacMillan's *Winter Dreams*, Christopher Wheeldon's *After the Rain*, Ashton's *Voices of Spring, woman with water* by celebrated veteran choreographer Mats Ek and concluding with Act III of *The Sleeping Beauty*.

The Linbury Theatre's dance season opened with summer performances by Rambert School and The Royal Ballet School, originally scheduled to be part of the scheduled Next Generation Festival that would have included international guests.

Opera

In opera, new work highlights included:

4/4

In response to the very specific conditions of the pandemic in autumn 2020, The Royal Opera embraced the challenges of the moment (social distancing on stage and in the pit, reduced staff and financial resource, travel difficulties and quarantine) and programmed an evening featuring four distinctive short works that showcased world-class vocal quality and compositions – but that were not operas. The mini-productions of Handel's *Apollo and Daphne*, Barber's *Knoxville: Summer of 1915*, Britten's *Phaedra* and Gruber's *Frankenstein!!* were not only a creative response to Covid-19 but a bold departure from The Royal Opera's traditional repertory. Four of the UK's outstanding opera and theatre directors - Deborah Warner, Richard Jones, Adele Thomas and Antony McDonald - worked with top British opera singers Christine Rice and Allan Clayton and from further afield, South African soprano Cecilia Masabane Rangwanasha, one of our Jette Parker Young Artists. These short works of high theatrical tension and drama, mostly sung in English, were immediately accessible and direct, and challenged many negative preconceptions of the art form. The productions themselves, minimal in terms of set and costume, also challenged the traditional association of opera with scenic excess, perhaps providing a glimpse of what opera can be when at its most distilled and powerful.

New Dark Age

This project took the same impulses behind *4/4* and presented works by women composers. These were directed by two leading female theatre practitioners - Katie Mitchell and Ola Ince - and designed by Vicki Mortimer. Traditionally under-represented in the area of opera composition and direction, female creativity became central for one of the few times in The Royal Opera's history: *The Knife of Dawn* is only the fourth opera by a woman to be performed on the Covent Garden's stage in 300 years. It was also the first opera on our Main Stage by a composer of colour, supported by a mainly diverse creative team, with Peter Brathwaite in the lead role, Jonathon Heyward conducting and video designs by Akhkila Krishnan. Touching on troubling themes of colonialism and creative isolation, the opera explored the life of Guyanese poet Martin Carter, Ince's production drawing out contemporary resonances of racial oppression and discrimination. This was followed by a unique melding of works by female composers - Anna Meredith, Missy Mazoli and Anna Thorvaldsdottir - in a video installation called *A New Dark Age*, created by Katie Mitchell and Grant Gee. The atomisation wrought by the pandemic was brought home in a radical piece that combined live and recorded material, an urgent assertion of the Royal Opera House's role in reflecting society.

Operas in Progress - The Engender Festival

A key part of the work of The Royal Opera House on both stages is commissioning contemporary opera that enables the cannon to develop, and to tell new stories with diverse perspectives that reflect our changing world and society. As we seek the next generation of artists and audiences we continually explore ways to open up the form of opera. Our *Opera in Progress* series provide an exchange between artists and audiences. The audience gain an insight into the very start of making an opera, hearing from the artists about how their ideas and initial text and music have emerged. Artists are able to ask the audiences questions and understand their response to these initial ideas, which supports them in the next steps of the opera's development. Three projects were presented: *History of the Present,* a hybrid working-class opera that explores the resonances and legacies of the peacelines in Northern Ireland, by interdisciplinary writer Maria Fusco and director Jude Christian; Booker Prize shortlisted, *The Fortune Men*, by writer Nadifa Mohammed and composer Nina Whitman; and *Lambs,* an opera that takes the form of a podcast, by Director Daisy Evans and composer Laura Bowler.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Current Rising

The world's first opera in hyper reality, *Current, Rising,* was a unique collaboration between the Royal Opera House's innovation programme, Audience Labs, award-winning Figment Productions and Royal Holloway, University of London. Developed by a female-led creative team and funded by UK Research and Innovation, *Current; Rising* was an experiment in blending stagecraft, artistic excellence and cutting-edge technology to develop a radical new way of seeing opera that puts the audience at the centre of the performance. The result was a 15-minute hyper-reality opera experience, combining virtual reality with a multisensory set, inviting audiences to step into a bespoke 'Opera Tardis' and experience a dream-like journey carried musically by a poem layered in song. Critically acclaimed, *Current, Rising* demonstrated a vision for the future of cultural forms, encapsulating a new form, rooted in stage tradition, enriched by the magic of technology. It won the VR Award for out-of-home VR entertainment of the year. The creative team was Director Netia Jones, composer Samantha Fernando, Designer and CGI Art Director Joanna Scotcher, librettist Melanie Wilson and sound designer David Sheppard.

8-Bit

8-Bit marked the first curated digital shorts opera series from The Royal Opera. A series of eight newly-commissioned, experimental experiences of digital opera brought together some of the most innovative contemporary artists. Created in response to the impact of Covid-19, available for free, and hosted across Facebook, YouTube and Instagram, *8-bit* gave existing and new audiences new ways to experience exceptional opera and challenge the stereotypes often associated with the art form. With century-spanning music: from Handel and Tchaikovsky to John Barber, Brian Irvine, Matt Huxley and Anna Meredith, the opera series reached an audience of over 87,500 people. The lead artists for these short operatic pieces were Dumbworld, Patrick Eakin Young, Elayce Ismail, Akhila Krishnan, Katie Mitchell, Anna Morrissey, André de Ridder and Katherine Manley and Rakhi Singh.

Although lockdown prevented us from doing as much work on the Main Stage as we had planned, we nevertheless fielded a top-rate list of artists, including:

Aigul Akhmetshina

Sophie Bevan

Peter Brathwaite

Charles Castronovo

Nicole Chevalier

Allan Clayton

Christian Curnan

Emily D'Angelo

Iestyn Davies

Danielle de Niese

Riccardo Fassi

Gerald Finley

Joshua Guerrero

Paula Murrihy

Kristine Opolais

Lisette Oropesa

Anna Princeva

Chen Reiss

Christine Rice

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Erwin Schrott

Roderick Williams

Adela Zaharia

Streamed

We increased our reach via digital channels, with 15 live streams and 23 previously recorded operas and ballets made available on pay-per-view, four which were provided for free. The streamed productions were watched 233,000 times, with two thirds of UK viewers living outside London. The lessons learnt from streaming and pay-per-view are feeding into our future plans for increasing our digital output and reach.

New works filmed and streamed included:

- *Lyssa* – a spectacular performance by Nadine Shah, with choreography by Lynn Page, featuring Royal Ballet dancers
- *Agnus Dei* – a solo performance by Royal Ballet First Artist Leo Dixon, choreographed by Arthur Pita in collaboration with singer and composer Rufus Wainwright
- *Draft Works 1* – a streamed film of work created by Royal Ballet dancers during lockdown, shared exclusively with ROH members
- *Draft Works 2* – a film of short works created on the Main Stage of the ROH, featuring choreography by Royal Ballet dancers Amelia Townsend, Stanislaw Węgrzyn, Joshua Junker, Ashley Dean, Matthew Ball, Kristen McNally, Valentino Zucchetti and Marcelino Sambé
- Yorke Dance Project – Romany Pajdak, First Soloist, *Lockdown Portraits* choreography by Robert Cohan; this solo was the last dance to be created for Cohan's final work – *Afternoon Conversations with Dancers*. Filmed on the Main Stage at the ROH

Evaluation

To further strengthen our forward programme planning, we initiated a new evaluation process to improve our ability to learn from and react to audience feedback.

Championing talent

The Royal Opera House employs more artists than any other UK arts organisation and works with a large network of freelance creatives, singers and other performers. At the heart of our creative output are our three permanent ensembles: The Royal Ballet, The Royal Opera Chorus, and the Orchestra of the Royal Opera House. Their reputation for technical and theatrical excellence attracts international talent to the UK and is a source of great pride. While the size of the ensembles reduced over the year, we protected the core as much as possible.

This was a very difficult year for performers, creatives and freelancers, many of whom were unable to work for most of the year. The performing Companies were furloughed for much of 2020/21, but we continued to sustain daily class for dancers via Zoom and, when possible, we began to bring our dancers back to the studios for limited, socially distanced rehearsals, enabling them to gradually regain essential fitness. We also continued to support freelancers, including paying them cancellation fees when shows couldn't go ahead, and maintaining our partnerships, for example with Engender (see below).

The Jette Parker Young Artists Programme, one of the world's leading centres for new operatic talent, offers two years' training for artists with the potential to forge an international career. It also provides additional support for emerging artists from under-represented backgrounds. In 2020/21 the programme produced a broad range of filmed work, including our first opera to be live streamed from both the stage and the auditorium, and with a live Instagram feed embedded into the show. Over half of the director training cohort have gone on to paid work with the Company. The Programme also delivered two live courses for women conductors with the Orchestra of the Royal Opera House and the City of London Sinfonia.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

New and underrepresented artists

We are committed to increasing the diversity of our creative programmes, and the people who create and perform them. We are on track to achieve our goal of at least 50% of the creatives we commission being women by 2022.

Engender is the ROH's initiative to grow and highlight women and non-binary talent both onstage and behind the scenes and to move the sector towards gender inclusivity. The programme thrived during the pandemic, moving online, which enabled more people to join from outside London and across the UK. Engender now has members from across Europe, the USA and, with support and funding from the British Council, is developing partnerships in several less economically developed countries, including South Africa and Egypt.

The network met every two months and supported artists during that period with sessions led by Tonic on a variety of subjects including wellbeing and resilience.

The Engender Festival 2021 was a hybrid of live and online events, with 15 pieces of social content generating 425,000 views and 12,500 engagements.

OPENING UP AND DIVERSITY, EQUALITY AND INCLUSION

Our programmes continued to provide opportunities for a wide range of people to engage with and enjoy our performances, both inside the building and beyond. Examples are summarised below.

ROH Unlocked

ROH Unlocked took place in the Covent Garden piazza on Saturday 10 July and Sunday 11 July 2021. This was our first public festival since lockdown bringing ROH artists out into the public space for world-class performances and giving the public a chance to take part in workshops. There were live performances from members of the Royal Opera Chorus, world-renowned soprano Anush Hovhannisyan and Zoo-Nation Youth Company, as well as participatory singing and ballet-barre workshops. Audiences were also invited to visit the ROH Story Shop, an immersive theatrical experience created in collaboration with Little Bulb theatre company.

Open House

Our Daytime Events and Festivals programme was relaunched in 2020/21 with Open House attracting over 4,500 people over one weekend. Visitors to the ROH could enjoy pop-up performances from soprano Anush Hovhannisyan, tenor Alan Pingarrón and harpist Elin Samuel as well as explore an exhibition of costumes, set, props, hats and jewellery from The Royal Opera's production of *The Tsarina's Slippers*. The weekend also marked the unveiling of the installation of two exceptional works of art: David Hockney's portrait of Sir David Webster, displayed in the Main Entrance Foyer, and Tacita Dean's extraordinary chalk-on-board *Inferno*, one of the designs for Wayne McGregor's new ballet *The Dante* Project, in the Paul Hamlyn Hall.

Engaging with young people and their families, schools and communities

Our Learning and Participation work continued to play a vital role in our plan to build the future of ballet and opera and to diversify the talent pipeline and our future audiences. For example, one part of the overall National Programme was a suite of 'Create' programmes that supported teachers, schools, children and, for the first-time, freelancers through the pandemic.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

The numbers achieved are summarised in the table below.

	Events	Teachers	Freelancers	Total participations	Total Schools	Children and young people (max estimated)
Create & Dance	16	114	6	200	78	6,050
Create & Design	5	79	1	91	49	5,380
Create & Sing	14	213	59	432	175	18,670
TOTAL:	**35**	**406**	**66**	**723**	**302**	**30,100**

We also continued with our Chance to Dance programme, which works with The Royal Ballet School and private dance schools to diversify the early talent pipeline for ballet. In May, we were once again able to deliver in-person workshops in 10 primary schools (five in Essex, five in the West Midlands). 142 young people attended these sessions and also attended in-school sessions to learn dance and movement inspired by MacMillan's *Romeo and Juliet*. We also provided bursaries and support for aspiring young dancers. Doncaster Dances was a three-week long project that brought together groups from across Doncaster to create an original dance piece that reflected the Covid-19 situation at the time including social distancing practices. This resulted in a short film, inspired by Kenneth MacMillan's *Romeo and Juliet.* 135 individuals took part in the project including six community groups, care homes and schools

ROH Bridge

Royal Opera House Bridge works to connect children and young people with great art and culture.

Through research, advocacy and co-investment we nurture networks, share learning and foster innovation within the education, arts and culture sector – particularly in communities where there is limited local provision or experience.

Our sector support work as a Bridge became a virtual programme for 2020/21 with just under 1,000 teachers and cultural partners engaging with over 47 different training and networking events across the year.

We continued our work with 12 Local Cultural Education Partnerships (LCEPs) across the South East, including distributing 8,286 creative 'Let's Create' resource packs to targeted children in response to the pandemic. A further £181,000 was invested in partnership programmes with the LCEPs.

Through two further rounds of the Learning Offer Development Fund grant programme, £115,000 has now been invested in the learning programmes of 23 cultural partners.. 51% of the recipients were diverse-led organisations.

Audience development

We implemented a wide range of initiatives to attract more diverse audiences to our art forms, which have had some notable successes, including performances for NHS staff and ROH Unlocked. We initiated work to identify key challenges and barriers and to begin putting plans in place to address them, including starting work with a new creative agency partner to help us connect ROH productions with younger and more diverse audiences across social, digital and also more traditional media.

We initiated a review of our Young ROH offer – our programme for 16–25-year-olds which includes tickets for £25 – with the aim of increasing sign-ups, especially from groups of people who haven't traditionally engaged with the offer.

We increased our digital output with 15 streamed performances of live ballet and opera and 23 archive productions on pay-per-view, and during this period, our You Tube following reached 1million. This has widened our audience base including out of London.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Inclusive workforce

Our new Equality, Diversity and Inclusion plan is in the early stages of implementation but we have already seen progress during the year, including greater staff engagement in conversations. All recruiting managers have been through an anti-racism training course and an anti-ableism one is planned. We have established a Staff Diversity and Inclusion Network, a forum for healthy discussion, action and reflection and, a new Access Matters Group has been formed for disabled staff and people with long term health conditions. We have reviewed and refreshed our HR recruitment policies to strengthen our ability to recruit more diverse new staff.

REVENUE GROWTH

Customer spend

The impact of the Covid-19 pandemic was the immediate loss of all box office and ancillary trading income (catering, retail and cinema). The box office took £41.2m,less than in the last full season before lockdown.

We put performances on stage when we were able to and we reopened restaurants, bars and the shop, always in compliance with the government's Covid-19 guidance at the time.

Philanthropy and partnerships

A major fundraising campaign, launched in the 2019/20 Season, continued to be a key pillar of our recovery plan. Fundraising income over two years was over £60m, a remarkable achievement given our limited ability to perform on stage. In addition, many donors generously relaxed restrictions on committed gifts.

The Campaign has shown a deep sense of loyalty from our donor base, the majority of whom responded swiftly and emotionally – they gave in order to safeguard their beloved Opera House. We are extremely grateful to all those who contributed.

Endowment

We would like to thank our Baton Associates who made the generous and thoughtful decision to leave a gift to the Royal Opera House in their will.

ORGANISATIONAL HEALTH

Restructure

In undertaking the restructure, we were mindful of the impact that the changes we needed to implement would have on all our staff, in particular those whose jobs were at risk of compulsory redundancy or whose terms and conditions were proposed to change. To mitigate the impact, we implemented a range of measures, including:

- The invitation to all staff to express their interest in voluntary redundancy, reducing the need for a compulsory leaver programme
- Amendments to proposals following staff feedback and ideas
- Increased job-matching into new roles
- More job-sharing and part-time working
- Open and transparent processes for selection for redundancy where required

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

A total of 272 employees left between July 2020 and November 2020:

- 43% took voluntary redundancy
- 31% compulsory redundancy
- 26% left through end of fixed-term contract, resignation, etc.

To support those staff who left, we offered a package of redundancy payments, outplacement job search support and access to a retraining fund.

We would like to extend our thanks to the people we sadly had to let go for their contribution to the work of the ROH, many of them over a long time.

Estate

The Covent Garden estate was redeveloped in the late 1990s, re-opening in December 1999. Since then we completed a major upgrade to the public spaces and the Linbury Theatre, re-opening in September 2018 and January 2019, respectively, and we also completed a multi-year upgrade to the main stage flying system. However, much of the back-stage and building infrastructure is either nearing or past its life, and even failing in some instances. We developed the framework of an Estates Plan designed to maintain, upgrade and renew our stage and buildings infrastructure and equipment over the next 15 years. The plan includes an indicative cost plan and programme of works over the period, opportunities for estates reconfiguration and upgrades to drive efficiencies and support flexible ways of working and a governance structure for project design and delivery, all against the backdrop of our net zero and sustainability goals. Further survey work and feasibility studies are planned to enable us to refine and develop the plan with a focus on the next three years.

Covid-safe working

Throughout the pandemic we continued to adapt and implement our Covid-safe working plans for staff, artists and audiences in response to government guidance. All front-of-house and back-of-house activities were carefully risk-assessed and control measures were put in place. We also set-up an in-house Covid-19 testing clinic and, working with several partners, implemented a testing regime to enable us to re-commence performances, initially via online streaming and then with socially-distanced audiences. Our testing strategy reduced the potential for infection spread amongst teams and safeguarded the rehearsal and performance schedule – circa 20,000 tests were carried out on staff during the year.

Environmental sustainability

While tackling the pandemic has been a world-wide emergency over the past period, in the longer term, climate change is the single biggest challenge ever faced by humanity. Cultural organisations can play a leading role in addressing the issues from engaging audiences in conversations, to reducing our own carbon footprint and using our purchasing power to influence the suppliers we work with to become more environmentally sustainable.

We are determined to play our part so, in July 2021, the Board of Trustees approved the ROH's new Environmental Policy, net-zero commitments and Sustainability Strategy and these were subsequently published externally. We have also been active in raising sustainability standards across the theatre sector through participation in initiatives such as the Theatre Trust Green Book and the Sustainability in Production Alliance.

We are publicly committed to becoming carbon net zero on scopes 1 and 2 by 2035 (Scope 1 covers direct emissions from owned or controlled sources; Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by an organisation).

The new strategy commits us to:

- Making progress to make our buildings in Covent Garden, Thurrock and Aberdare more environmentally sustainable, by reducing carbon emissions and improving waste management and recycling

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

- Improving our ability to measure progress with robust data, embedding environmental sustainability in our procurement strategies, improving the sustainability of our food offering, and minimising single use plastic and using recyclable packaging wherever possible
- Reducing the environmental impact of our productions by engaging with experts in impact measurement, making more efficient use of materials, and avoiding unnecessary use of hazardous materials and products
- Supporting staff and audiences to reduce their environmental impact by enabling audiences and visitors to understand and minimize their pollution and carbon footprint when visiting us, promoting environmental awareness amongst our employees and encouraging them to work in an environmentally responsible manner, encouraging use of zero and low carbon forms of transport amongst staff and audiences, and enabling and participating in public discussions concerning environmental issues

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Streamline Energy and Carbon Reporting

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR) imposed by the 2018 SECR Regulations, we are required to disclose the following energy and carbon information for the reporting year 1 September 2020 to 31 August 2021.

Scope 1: Emissions from combustion of Gas tCO2e 2021: 1,334 (Energy consumption: Gas 7,281,114 Kwh) 2020: 1,127 (Energy consumption: Gas 6,127,551 Kwh) 2019: 1,502 (Energy consumption: Gas 8,168,576 Kwh)
Methodology: tCO2e calculated from the product of the invoiced gas consumption in Kwh during the reporting period and the 2020/2019 UK Government CHG Conversion Factors for Company Reporting (version 1.0) for 'Natural Gas'
Scope 2: Emissions from purchased electricity tCO2e 2021: 1,478 (Energy consumption: Electricity 6,960,717 Kwh) 2020: 1,748 (Energy consumption: Electricity 7,498,289 Kwh) 2019: 2,393 (Energy consumption: Electricity 9,360,362 Kwh)
Methodology: tCO2e calculated from the product of the above stated electricity consumption in Kwh during the reporting period and the 2021/2020/2019 UK Government CHG Conversion Factors for Company Reporting (version 1.3/1.0) for 'Electricity Generated/Electricity: UK'
Scope 3: Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel tCO2e 2021: 3 (9,672 miles) 2020: 13 (47,080 miles) 2019: 20 (68,557 miles)
Methodology: tCO2e calculated from the total mileage expenses claimed during the period (as stated above) multiplied by the 2021/2020/2019 UK Government CHG Conversion Factors for Company Reporting (version 1.3/1.0) for an Average Car and unknown fuel type
Intensity Ratio: tCO2e gross figure based from mandatory fields (tCO2e/m2) 2021: 0.0506 2020: 0.0520 2019: 0.0744
Methodology: The intensity ratio stated above has been calculated as Tonnes of CO2e per total square metres of useful floor area (57,438 m2)

The last two years have had an unprecedented impact on cultural organisations. During the pandemic, the energy use in our buildings changed with our buildings needing to be closed and/or opened for reduced hours with staff on furlough. Non-essential plant and systems were identified and were switched off during the period to reduce energy consumption.

Our buildings were closed/opened for reduced hours between mid-March 2020 - April 2021. As our buildings started to re-open from April 2021 for staff, ballet company rehearsals, artists and audiences all ventilation systems were required to operate at 100% fresh air makeup for Covid-19 control. This resulted in a significant increase in energy use, especially our heating systems (in natural gas), during the winter months.

In the whole estate, typically, electricity accounts for around 55% of total annual energy demand and Natural Gas 45%. For the reporting period 1 Sep 2019 – 31 Aug 2020 our Electricity showed an overall decrease in consumption of 1.9 MWh, a 20% decrease. Our Gas consumption showed an overall decrease of 2MWh, a 25% decrease. This improved performance is largely attributable to the buildings being closed/operating for reduced hours for a 6-month period during Covid-19. For the reporting period 1 Sep 2020 – 31 Aug 2021 our Electricity consumption showed an overall decrease in consumption by 0.5 MWh, a 7.2% decrease. Our Gas consumption showed an overall increase in consumption by 1.1 MWh, a 18.1% increase. This performance is reflective of the buildings being closed/operating for reduced hours for an 8-month period followed by a 4-month period of high energy use (in particular natural gas for our heating systems) for 100% ventilation for Covid-19 control.

ROH are committed to getting to Net Zero Carbon by 2035 for Scopes 1 and 2 emissions and we continue to set targets to meet this commitment, whilst accounting for the exceptional circumstances of Covid-19.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Appendix – 2020/21 Performance Schedule

The table below illustrates the performance we were able to put on, and also the stop/start nature of the season.

Date	Production	Notes
NATIONAL LOCKDOWN: THEATRES SHUT		
4 September 2020	The Royal Opera: Live in Concert	Stream only
9 October 2020	The Royal Ballet: Back on Stage	Pilot live audience and stream
17 October 2020 24 October 2020	4/4 (Apollo and Daphne / Frankenstein!! / Knoxville: Summer of 1915) New Dark Age (The Knife of Dawn / A New Dark Age)	Live audience (1 performance) and stream Live audience (1 performance) and stream
26-31 October 2020	Meet the Young Artists Week	5 events – 3 streamed, 2 with live audience (Linbury Theatre)
NATIONAL LOCKDOWN ENDS: THEATRES OPEN (REDUCED CAPACITY/ SOCIALLY-DISTANCED AUDIENCES)		
4 November 2020	The Royal Ballet: Live (Programme A)	Live audience
5 NOVEMBER 2020 – NATIONAL LOCKDOWN RE-INTRODUCED: THEATRES SHUT		
13 November 2020	The Royal Ballet: Class on Stage The Royal Ballet: Live (Programme B)	Stream only Stream only
20 November 2020	*Ariodante*	Stream only
2 DECEMBER 2020 – NATIONAL LOCKDOWN ENDS: THEATRES OPEN (REDUCED CAPACITY & SOCIALLY DISTANCED)		
11-15 December 2020	*The Nutcracker*	Live audience (4 performances out of a planned 17)
18 December 2020	The Royal Opera Christmas Concert	Stream only
19 DECEMBER 2020 – IMPENDING TIER 4 RESTRICTIONS FOR LONDON ANNOUNCED: ROH CLOSES		
6 JANUARY 2021 – NATIONAL LOCKDOWN		
9 April 2021	*The Seven Deadly Sins / Mahoggony Songspiel*	Stream only (first fully-staged production live stream)
17 MAY 2021 – NATIONAL LOCKDOWN EASED: THEATRES OPEN (HALF CAPACITY AND UP TO 1000 PEOPLE)		
17-23 May 2021	*La clemenza di Tito*	Live audience (4 performances) and stream
18-30 May 2021	*21st Century Choreographers* (mixed programme)	Live audience (9 performances) and stream
21 May-10 June 2021	*Current, Rising*	Live participants (Linbury Theatre)
25, 26 May & 2 June 2021	The Royal Ballet: Class on Stage	Live audience (3 events)
4-13 June 2021	*Balanchine and Robbins* (mixed programme)	Live audience (8 performances) and stream
16 & 17 June 2021	Rambert School End of Term Performance	Live audience (2 performances) [Linbury Theatre]
19 June-6 July 2021	*La bohème*	Live audience (8 public performances, 1 NHS performance)

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

23-26 June 2021	The Royal Ballet School End of Term Performance	Live audience (6 performances) [in our Linbury Theatre]
21 JUNE 2021 – ALL GOVERNMENT RESTRICTIONS REMOVED – ROH CONTINUES WITH REDUCED CAPACITY AUDIENCES		
26 June-11 July 2021	*Beauty* Mixed Programme (mixed programme)	Live audience (8 performances) & stream.
5-18 July 2021	*Don Giovanni*	Live audience (7 performances)
10 July 2021	Royal Ballet School Summer Performance	Live audience
12-17 July 2021 16 & 17 July 2021	Engender Festival Engender Festival: Pegasus Opera	Live audience [Clore Studio] and streamed events Live audience (2 performances) [Linbury Theatre]
17 July 2021	Jette Parker Young Artists Summer Performance	Live audience
29-31 July 2021	Kilimanjaro Presents: Chrissie Hynde sings Bob Dylan and Other Songs	Live audience (3 performances)
2-8 August 2021	Bill Bailey Summer Larks	Live audience (10 performances)

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Finance and Governance

The Royal Opera House strives to present an ambitious programme of work while balancing its books on unrestricted general funds in each full financial year.

The results for the period are set out in the consolidated statement of financial activities. Note 1 to the financial statements sets out the basis on which these financial statements have been prepared.

The ROH's business plan includes a set of outcomes and related KPIs, agreed with the Executive team and Board of Trustees. Linked to a detailed action tracker, the KPIs included: the level of new work being generated; public engagement across performances, digital activity and learning and participation initiatives; diversity of audiences, participants, staff and artists; results against budget; and environmental performance. Performance against the KPIs is reviewed in detail at the end of each year. Pre Covid-19, progress with the action tracker is reviewed by the full Executive team every 3-4 months. As the pandemic severely impacted the KPIs, monitoring of the previously established KPIs was suspended, and more crucially, frequent regular reporting of cashflow and progress on the Recovery Plan was a priority.

In addition, the Board of Trustees and Arts Council England receive Management Accounts on a monthly basis, enabling them to closely monitor progress against financial targets throughout the year.

The important continuing investment from Arts Council England enables the undertaking of a range and depth of work and investment in new work, artist development, craft excellence, engagement and access which could not be sustained otherwise.

As a National Portfolio Organisation (NPO), a grant of £24.5m (*53 week period ended 30 August 2020: £24.2m*) was received from Arts Council England, representing 36% of total (unrestricted) income (*53 week period ended 30 August 2020: 25%*). The Royal Opera House is one of only four National Portfolio Organisations to be awarded funding from Arts Council England to lead the Bridge programme for Bedford Borough, Central Bedfordshire, Luton, Hertfordshire, Essex, Thurrock, Southend, Dartford, Gravesham, Swale and Medway. Funding of £0.7m was received in the current year (*53 week period ended 30 August 2020: £0.7m*).

It was an extremely challenging year for the organisation financially and the charity was able to manage through careful financial stewardship, responding to the pandemic through our Recovery Plan, which included government support through CJRS (Coronavirus Job Retention Scheme) and securing a loan from the Cultural Recovery Fund, a major restructure of the organisation, a fundraising campaign and the sale of the Hockney painting of Sir David Webster.

Excluding income within the Endowment, fundraising income targets of £19m (*53 week period ended 30 August 2020: £29.1m*) were set against fundraising activities in the development department for the period and these were met with funds raised of £36.7m (*53 week period ended 30 August 2020: £31.1m*).

Our trading subsidiary, Royal Opera House Enterprises Limited, recorded an operating profit before tax of £1.2m for the 52-week period ended 29 August 2021 (53 week period ended 30 August 2020: £1.9m). This decrease in operating profit is attributable to the continued closure of the Opera House due to Covid-19 for the majority of the 20/21 Season.

The overall result for the group unrestricted general funds was a decrease on the Unrestricted general funds of £0.3m *(53 week period ended 30 August 2020: £0.1m)* after transfers from Restricted funds of £1.7m *(53 week period ended 30 August 2020: £2.0m)* and net transfers to Unrestricted Designated funds of £1.7m *(53 week period ended 30 August 2020: net transfers from Unrestricted Designated Funds of £8.0m)*. Refer to Note 17 on pages 80-81 for details.

At 29 August 2021 unrestricted funds were £213.5m *(30 August 2020: £211.8m)* before Unrestricted pension reserve deficit of £30.1m *(30 August 2020: £36.3m)*. There is £209.0m *(30 August 2020: £199.7m)* held in Unrestricted Designated funds and a further £0.4m *(30 August 2020: £7.7m)* held in Unrestricted Revaluation funds.

At the end of the period Restricted fund balances were £12.3m *(30 August 2020: £13.1m)*. For further details refer to Note 27. At the end of period the Endowment fund balance of £48.7m *(30 August 2020: £43.4m)* is represented by restricted capital assets of the Royal Opera House Endowment Fund 2000.

The Royal Opera House group held positive cash balances throughout the period. Unrestricted cash, including unrestricted cash with a notice period of more than 3 months, held at the period end was £58.8m *(30 August 2020: £22.4m)*, advance bookings held at the period end of £8.6m *(30 August 2020: nil)*, required to meet the charity's working capital requirements and reserves. This increase in overall cash balances was a result

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

of the impact of the recovery plan that was put in place to deal with the impact of the pandemic on the charity, and included the proceeds of the loan from the Culture Recovery Fund, £21.7m.

Reserves

The Trustees regularly review reserve levels, and designated the following amounts at the period end:

- Fixed Asset and Heritage Asset funds, of £179.9m and £5.4m respectively, equivalent to the tangible and intangible fixed assets owned by the charity, plus the current anticipated excess of capital expenditure over depreciation in the next season.
- Designated Future Project Fund of £23.7m. This fund comprises specific amounts put aside for future activity, which includes a fund of £5.6m *(30 August 2020: £1.4m)* toward the planned investment in digital.

The level of free reserves (represented by the Unrestricted General fund) at 29 August 2021 of £4.2m *(53 week period ended 30 August 2020: £4.4m)* equates to only 6.1% of current unrestricted incoming resources. The Trustees agree that a higher level of reserves is desirable in order to protect against reductions in box office and fundraising income, economic uncertainties, unforeseen events and any further reductions in public funding. The Trustees review the level of free reserves annually, and considering the financial model of the charity, core expenditure and levels of cash held in advanced bookings, have determined that a target level of free reserves of £10m is appropriate, and this has been the target for the last several years. However, Trustees acknowledge that any increase to free reserves over the next two to three years will be unlikely due to both the impact of the Covid-19 pandemic and to the identified needs for the programme of major capital works and digital investments. As the financial strategy is to budget for a minimum £2m contingency in annual budgets. while building designated funds for specific, future, longer term planning, the Trustees will also consider increases to the free reserves when possible in order to make progress towards the £10m target.

The total funds held at 29 August 2021 was £244.4m *(30 August 2020: £232.1m)*. The designated Future Projects Fund is likely to be spent in the next two years, in line with our forward planning assumptions.

Levels of unrestricted funds, both current and forecast, are monitored closely to ensure they remain at an adequate level in order to provide financial flexibility and a buffer against operational risk.

Pension scheme

In line with the requirements of FRS 102 S28 'Employee Benefits', the Royal Opera House defined benefit Pension Scheme liability and related costs are included in these financial statements. Within the Statement of Financial Activities employer contributions as determined by the actuary are recorded as an operating cost in the unrestricted general fund. The charge to the statement of financial activities is £0.9m less than contributions (53 week period ended 30 August 2020: £0.4m more than contributions), in accordance with FRS 102 (refer to note 31 of the financial statements). The actuarial gain, net of actual return less interests on plan assets for the period was £5.3m (53 week period ended 30 August 2020: £7.6m, actuarial loss). The net pension liability at the period end was £30.1m (30 August 2020: £36.3m), with the decrease from the prior period driven by asset returns in excess of the discount rate, all as part of the actuarial assumptions. It is important to note that the liability represented by this value (being based upon actuarial assumptions) will alter in response to changes to the future funding and structure of the pension scheme (as well as to economic and investment market conditions) and does not crystallise in the short or medium term.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest funds not immediately required for its purposes in such investments, securities or property as may be considered appropriate by the Trustees. Aside from balances held with the Royal Opera House bankers, Coutts & Co. monies are only invested in funds that are regulated by the FCA.

The Trustees of the Royal Opera House Endowment Fund 2000 have no restrictions on their investment powers and are permitted to invest and reinvest the Trust Fund, providing the objectives and purposes of the charitable fund are met, and subject to such consents as may be required by law.

The Trustees reviewed and agreed an Investment Policy in line with the Charities Commission Guidance CC14. This is not shown in full in the accounts but a summary of the key investment objectives are as follows:

- Generate investment income to maximise the grant income available to support the Royal Opera House Covent Garden Foundation;
- Deliver capital growth, as well as income, to maintain the real value of investments for future years;

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

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

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.

Financial Risk Management

The following statements summarise the Board's policy in managing identified forms of financial risk.

Credit Risk: Risk on amounts owed to the charity by its customers is low as payment for ticket sales and operations through the trading subsidiary are mostly settled at the point of purchase.

Price risk: Payroll costs represent 56% of total expenditure for the Royal Opera House and higher levels of inflation represent a risk also as 36% of total income for the Royal Opera House group comes from Arts Council England (19% of total income in a normal year), which is expected to remain flat from April 2022. The Royal Opera House has freedom over its ticket pricing, and box office income in a normal year represents 33% of revenue. The pricing strategy aims to hold the lowest ticket price at an accessible level.

Cash flow risk: Excluding Endowment assets, surplus funds are placed on short-term deposits with major clearing banks and CCLA. Short-term deposits are those with a term no greater than six months.

Liquidity risk: The Royal Opera House manages cash flow to ensure that sufficient levels are held as operating capital. The Royal Opera House took out a 20 year loan during the year for £21.7m from the Government's Culture Recovery Fund to provide additional liquidity due to the impact of Covid-19 (see Note 26 of the financial statements for further details). There is one other loan with an outstanding loan balance for the year ended 30 August 2021 of £1.3m. Risk on repayment of loans is low as the annual loan payment due in 2021/22 is 0.1% of total income.

Going Concern

The Trustees must satisfy themselves as to the Royal Opera House's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Board of Trustees have considered business plans and budgets based on an artistic programme of activity to August 2023, supplemented by outline plans in other areas. These plans show improvement in the return to financial sustainability post-Covid-19, but there are still challenges ahead, and in the Board's assessment of going concern take into consideration whether the Royal Opera House has adequate resources to meet its obligations as they fall due in and beyond the 12 months from the date of approval of these financial statements.

Underlying assumptions in the plans and budgets are that there will not be further lockdowns or social distancing going forwards, however, we do anticipate a long-term negative impact on levels of box office income. In assessing going concern, the Board also considered financial risk should further closures occur, the impact of any shortfall in fundraising and trading income, and the impact of increasing inflation on costs. If the ROH were to experience performance cancellations in winter months there would be an impact on our box office income, with estimates ranging from £3.9m to £5.8m in lost box office across a winter month (Nov to Feb). Whilst the Trustees are confident that these risks have adequate mitigation to ensure the ROH remains a going concern, the modelling shows that there is sufficient liquidity to August 2023 excluding mitigations.

After consideration of the scenarios and the impact of the Recovery Plan, the Trustees consider that the Royal Opera House (Group and Parent Charitable Company) has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason, the financial statements of the Group and Parent Charitable Company have been prepared on a going concern basis.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

2020/21: Risk Management approach

During the period the Trustees have operated a risk management strategy which comprises:

- Review and assessment by the full Board of Trustees of the risks which the charity may face and the approach to risk management.
- The establishment of systems and procedures to mitigate those risks identified.
- Detailed review by the Audit and Risk Committee of strategic and operational risks, including Health & Safety, the Major Incident Plan and Technology and Data Security matters.
- Procedures designed to minimise any potential impact on the Charity should any of those risks materialise.

The governance and management of risk is divided between **Strategic risk** and **Operational risk.**

Strategic risk is reviewed by the Executive at key meetings regularly throughout the year and is linked to the ROH Plan. The Executive considers each risk against its agreed risk appetite and reviews existing mitigations and planned actions. Operational risk is normally reviewed and updated by the Operational Risk Group which operates under clear terms of reference. As the majority of the year was spent dealing with the impact of Covid-19 and other specific projects and their related risks, meetings of this group were suspended for the year. As a result of this, we are reviewing the structure and make-up of the Operational Risk Group with a view to widen participation and improve internal risk discussions. Specific projects and risks monitored regularly throughout the year included Health & Safety, Capital & Estates, Planning & Scheduling, major projects including Main Stage Flying System and Digital Stage, as well as an extensive risk assessment regime throughout the organisation.

In dealing with the impact of Covid-19, the Board and the Executive met more frequently to discuss the strategic risks faced by the organisation, and to understand and consider how the pandemic was affecting our business operations, our risk and control environment and to assure themselves of the adequacy of controls and mitigations in place.

Strategic Risks

The Covid-19 pandemic is the most significant risk to have impacted the Royal Opera House in recent history.

In response to the unprecedented challenge that the pandemic caused, the organisation responded quickly to ensure the continued operation of the business. Since the Opera House first closed on 16 March 2020, employees worked remotely and a significant number of employees were furloughed, subject to operational requirements, supported by funding through the Government's Coronavirus Job Retention Scheme which finished at the end of September 2021. Action was taken to reduce cashflow requirements and maintain sufficient liquidity. To ensure the longer-term sustainability of the business a significant restructure was implemented in the last quarter of 2020 and the Royal Opera House were successful in applying for a loan from the Government's Culture Recovery Fund.

In August 2020 the government relaxed rules related to live performances in England allowing them to happen if social distancing rules were followed and subject to local restrictions if applicable. From September 2020 the Royal Opera House delivered performances and events with live audiences attending, albeit with much reduced capacity than usual, which then ceased following the further lockdown from December 2020.

The organisation continues to monitor and take necessary actions to ensure we come through this period with sufficient reserve levels to operate.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Other strategic risks are listed below:

1	Cost Control	Inability to deliver planned programme, in turn impacting our ability to achieve a balanced financial outturn. Caused by increasing inflation resulting in even greater pressure on salaries, fees and procurement, at best a static ACE grant from 2023, poor planning and prioritisation, and failure to plan for equipment needs. Mitigated through an overall framework and governance for balancing priorities and change programmes, including investment needs, three-year budget process, resource management and robust procurement policies and controls.
2	Capacity to deliver ROH programme	Failure to marry our increased organisational and artistic objectives with sufficiently robust support, planning systems and decision making structures. Mitigated by alignment of plans and ambitions with rigorous planning processes, integrated change planning and continuous reviews of systems and processes.
3	Access to creative talent	Inability to attract and work with exceptional talent to deliver a high quality programme owing to insufficient/inadequate training pathways, inability to pay competitive fees and salaries, Covid-19 travel restrictions, post-Brexit visa regime, reputational concerns or reduction in range of repertory. Mitigated by a range of talent development initiatives, creative and workforce diversity strategies, fair pay, advocacy on employment issues and a multi-layered staff engagement programme.
4	Reputation	Perceived drop in innovation investment, artistic quality and access to talent, or association with an individual or organisation whose reputation becomes damaged, impacting all income streams and our ability to attract talent. Mitigated by balanced programming, clear processes for sharing production concepts, advocacy activity, sustainability policy and ROH Values and Behaviours.
5	Earned Income	Inability to deliver planned programme and related revenue targets required to sustain ROH as a going concern. Caused by reduced philanthropy and customer spend. Mitigated through ambitious but balanced pricing strategy, expanded digital offering, informed and effective fundraising strategy, including Recovery campaign, and strong stakeholder relations.
6	Health, safety and physical security	The risks inherent in theatre production and presentation (e.g. working at height, noise, chemical, manual handling), combined with the challenges of operating a busy public venue and the potential for a terrorist attack on London. Mitigated through a robust management and governance structure for safeguarding, safety issues and reporting, staff training and awareness raising, investigation of near misses and incidents, and drawing on specialist external support as required.
7	Technology equipment failure	Cancellation of performance or loss of customer data or business information as a result of systems failures or cyber attack. Mitigated by a robust testing regime, training and planned investments for transformation supported by external expertise as required.
8	Public investment via Arts Council England (ACE)	Misalignment between ROH priorities and ACE strategy, including Investment Principles, breach of funding agreement and/or a drop in public investment in arts, ballet or London.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

		Mitigated through presentation of a balanced programme, delivered across a variety of platforms, that seeks to place opera and ballet in a broader cultural context, through national Learning and Participation programmes, through measures to increase the diversity of new and underrepresented artists, workforce and audiences, underpinned by Equality, Diversity & Inclusion plan and monitoring, and through collaborations that strengthen the wider sector.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Trustees' duty to promote the success of the Charity – Section 172 Statement

Section 172 of the Companies Act 2006 requires the Trustees to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes.

The Companies Act 2006 requires the Royal Opera House, as a large company, to report on how Trustees have complied with Section 172 and other linked matters.

Section 172: the Trustees must promote the success of the charity to achieve its charitable purposes by having regard to:

(A) The likely consequences of any decision long term

The current ROH Plan approved by the Trustees sets out four priorities which are aligned with the investment principles as set out by ACE and the actions and performance indicators for each over the period 2018-22.

These four principles are:

- Inclusivity and Relevance
- Dynamism
- Ambition and Quality
- Environmental Responsibility

All the decisions made by Trustees are predicated on the desire to achieve these long term aims. The needs of all our beneficiaries: our current and future audiences as well as the many participants in our educational programmes as well as our other key stakeholders: our employees, our freelancers, the Arts Council England and donors, are vital to the success of our strategic plans.

Trustees also keep under review the charity's principal risks and opportunities and ensure that our plans can adapt to respond to changes as required. These are set out on pages 33 to 35 of this report.

Trustees responded to the Covid-19 pandemic by formulating a four-pronged plan for recovery: a programme of restructuring and staffing cuts, reducing costs wherever possible; a fundraising campaign; support from Government; and realising such value as we were able to from our assets. These have allowed the ROH to move into the current season with a full programme of productions. As we move forward the Trustees have also approved the development of a new digital platform

(B) The interests of the Charity's employees

The Trustees recognise that it is the extraordinarily committed staff and artists that make the Royal Opera House such a remarkable institution. Considering and protecting their interests is crucial to the success of the ROH and our decision-making processes take into account the impact of potential decision on our staff and artists.

Over the period of this report Trustees recognised the incredible contribution of staff in keeping the ROH operating in the pandemic whether by working more flexibly, reducing hours or being on furlough, collaborating to enable socially distanced performances on stage and in working together to ensure a successful start to the 2021/22 season. The latter element has been made more difficult by widely reported labour shortages in all parts of the labour market caused both by the pandemic and also by Brexit and a desire for different working patters.

The ROH recognises three trade unions with whom we work closely and consult with on key aspects of ROH operations.

(C) The need to foster the charity's business relationships with suppliers, customers and others.

It is important for the ROH to ensure that we engage with our customers whether they are audiences in our theatre or the participants in our Learning and Participation programmes or simply those who visit the ROH. The Executive team regularly receives information on the audience feedback as well as detailed feedback from teachers and other educational participants. The ROH also communicates with our audience and those who are part of our membership programmes with targeted information according to their preferences whilst at the same time being mindful of data privacy concerns.

Our procurement function ensures that we deal with suppliers fairly and in a professional manner. We also develop strong working relationships with key suppliers who are able to work with us to best support and maintain our unique building.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

(D) The impact of the charity's operations on the community and the environment

Trustees and Management recognise that sustainability and the environment are at the centre of our activities and currently we are continuing work on a sustainability plan being implemented at all levels of the ROH. This is set out on page 27. The ROH also works with both our local community but also communities elsewhere in the UK. We have local programmes in Thurrock as well as in Doncaster where we aim to foster community engagement with our art forms.

(E) The desirability of the charity maintaining a reputation for high standards of business conduct

The Trustees recognise both that the ROH's reputation is critical both to its success but that we also have an obligation to maintain the highest standards given our position in the UK arts and charity sectors. The Trustees formally adopted the Charity Governance Code in July 2021 and will monitor activities against it on a regular basis.

There are a number of policies in place to promote corporate responsibility as well as ethical behaviour including anti-fraud and bribery, modern slavery, safeguarding, conflicts of interest, bullying and harassment, as well as donation and income acceptance. Summaries of all these policies are available on the ROH website and full versions are available on request.

The ROH Values and Behaviours referred to previously underpin our recruitment and induction processes. Our procurement strategy embeds ethical standards in our supply chain as well and health and safety and safeguarding compliance.

(F) How Trustees have engaged with other stakeholders, eg service users, beneficiaries, funders and the wider community

We have outlined elsewhere in the report and in this statement how we engage with suppliers, employees, the wider community, customers and other users.

Our donors are a critical part of our success and this has been especially true in the last year when we have had to call on them to help support our recovery plan which successfully raised £62m. We continue to actively engage with all our donors at all levels. We receive significant funding from the Arts Council England (ACE) and it is an essential part of our financial wellbeing. We have a strong working relationship with ACE and keep them regularly informed on all aspects of our activities including having a representative attend some Board meetings.

(G) The need to act fairly as between members of the Charity and how directors/Trustees have engaged with employees and taken account of their interests

We want to make sure we are able to attract and develop talented people who bring more, precisely because of the breadth of their different backgrounds, experiences, cultures and outlooks.

Recruiting and working with those talented people is just part of the work. We know that we need to create an environment where everyone believes they belong and can do their best work. Achieving inclusion requires inclusive leaders with the ability and desire to continually seek feedback, really listen and then act to establish a culture where difference is genuinely valued. We commit to regularly measuring our progress, holding our leadership team accountable for achieving our goals but we acknowledge that we must learn as we go.

Equality, Diversity and Inclusion

Our EDI commitments fall under six themes: Representation, Talent Pipelines, Individual Voices, Authenticity, Access and Governance.

- REPRESENTATION - Our stages and events will better reflect and celebrate a diversity of communities and experiences
- AUTHENTICITY - We will engage more proactively with communities to ensure that our portrayals of diverse cultures are respectful and authentic
- TALENT PIPELINES - We will do more to attract and nurture wider talent pools, particularly in those areas of our work where gender, ethnic diversity and disability are currently under-represented

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

- INDIVIDUAL VOICES - We will respect everyone as individuals and ensure equal access to the support needed for people to perform at their best. We will be sensitive to different lived experiences and will seek and listen to different cultural perspectives
- ACCESS - We will do more to improve the access to and visibility of our work to communities who have historically had less engagement with our art forms and remove or reduce any practical barriers to access for our audiences and workforce
- GOVERNANCE - We will do more to develop the skills required to lead our EDI work with cultural competence and confidence, and ensure we have effective policies and procedures in place to support our values and behaviours:

Monitoring Progress

The Royal Opera House Board of Trustees and Executive Team are responsible for the delivery of this strategy. Assessment of our success will be data driven, and high-level KPIs for EDI have been embedded in the ROH Business Plan. Transparency with staff on our plans and progress is key. We will consult with the Staff Diversity and Inclusion Network before this strategy and future updates are finalised and will report back formally to staff twice a Season. This strategy will next be formally updated in September 2022.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

ACKNOWLEDGEMENTS

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

The pandemic meant we weren't able to work with all the organisations we normally would, but we did work with a significant number and we would like to thank them for their partnership:

Albany Depford
Anthony Clifford Dance Studios
Appetite (Stoke on Trent)
Art4Thinking
Arts Council England
Arts 4 Dementia
Association of British Orchestras
Association of British Choral Directors
Aurora Orchestra
Arup
Ballet Boyz
Ballet Boyz Parkinsons Group
Barbican
BBC
Beacon Hill Academy
Benesh International
Birmingham Conservatoire
Birmingham Opera
Birmingham Royal Ballet
Bolshoi Ballet
Breakin' Convention
Britten Pears Arts
Building Crafts College
Candoco
The Camden Society
Canadian Opera Company
Cast Theatre
Richard Chappell Dance
Chelsea and Westminster Hospital
Coalhouse fort
Confidance
The Complete Commedia Company
Corona House
Creative Barking & Dagenham
Creative and Cultural Skills
Creative Industries Federation
Culture Device
Dancer Development Fund
Dance2Drama
The Depression Alliance
Derbyshire Music Hub
Doncaster Council
Doncaster Creates
Dutch National Ballet
East Sussex Music Education Hub
Elmhurst Dance School
English Touring Opera
Enoa (European Network of Opera Academies)
Essex Dance Theatre
Essex Music Education Hub
Figment
Firstsite
GUAP
Gendered Intelligence
Great Ormond Street Hospital
Gem Arts
Google
Graeae
Greater Manchester Music Education Hub
Guildhall School of Music and Drama
Historic Royal Palaces
Home (Slough)
High House Production Park

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Hull Music Education Hub
Ideas Test (Medway)
Into Film
International Society for Teachers of Dance
Imaginarium
Isango Ensemble
Job Centre Plus
Keychange
Kinetika
Kite Spirit textile group
London Handel Festival London Sinfonietta
Lyrici Arts
Maggie's Cancer Centres
Magic Leap
Masterclass at the Theatre Royal Haymarket
Mercury Theatre
Mousetrap projects
Muziektheater Transparant
The Natasha Project
The National Ballet of Canada
National College for Creative Industries
National Opera Studio
National Theatre
Nottingham Music Hub
Norwegian National Ballet
Oedipa
Opera Europa
Opera North
OperaUK
PACT
Parents in Performing Arts
Picturehouse cinemas
Pride London
Rambert School
Red Cross, Tilbury
Revolution (Luton)
Royal Academy of Dance
Royal Academy of Dramatic Arts
Royal Academy of Music
The Royal Ballet School
Royal Holloway London
Royal Shakespeare Company
Satore Studio
Shape Arts
Sheffield Music Education Hub
Shubback Festival
Sinfonia Viva and Orchestra Live
SIRT, Sheridan College
Sky Arts
Silent Uproar
Sino-UK Performing Arts Skills Exchange
Slough Music Education Hub
SOLT and UK Theatre
Southbank Centre
Southbank Sinfonia
Stonewall
Streetwise Opera
St Mary's University
Studio Wayne McGregor
SWAP'ra
Synergy
Theatrecraft
Thurrock Community College
Thurrock Music Services
Thurrock Education Hub
Tilbury-on-Thames Trust

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Time to Change
Together Productions
Tonic Theatre
Trestle
Tri-Borough Music Hub (London)
Trinity Laban
UK Dance Network
United Learning
University of West England
V&A
WNO
Yorke Dance Project
Young Creatives

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

STRUCTURE, GOVERNANCE AND MANAGEMENT

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Directors and Trustees

The directors of the charitable company ('The Royal Opera House' or 'the charity') are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who held office during the period and since period end were as follows:

Lady Heywood (Acting Chair – retired 1st September 2020) (Deputy Chair – appointed 1 September 2020)
David Ross (Chair – appointed 1 September 2020, retired 13 May 2021)
Sir Simon Robey (Chair – appointed 14 May 2021)
Zeinab Badawi
Caroline Britton (appointed 14 December 2021)
Lord John Browne (appointed 1 September 2020)
Tim Bunting
Kirsty Cooper
Dr Genevieve Davies (retired 1 September 2021)
Sir Lloyd Dorfman CBE
Dame Vivien Duffield
Susan Hoyle OBE (Senior Independent Director – appointed 26 May 2021)
Sir Nicholas Hytner (retired 1 September 2021)
Sir John Kingman (Senior Independent Director – retired 26 May 2021, Director – retired 1 September 2021)
Julian Metherell
Paul Morrell OBE
Indhu Rubasingham MBE (appointed 1 September 2020)
Christopher Townsend CBE (appointed 1 January 2021)
Laura Wade-Gery (retired 1 January 2021)
Roger Wright CBE
Danny Wyler

Chief Executive

Alex Beard CBE

Company Secretary

Leah Hurst

Governing Document

The Royal Opera House Covent Garden Foundation is a company limited by guarantee (company number: 00480523) governed by its Memorandum and Articles of Association, which were last amended on 7 July 2017 for changes in Trustee re- appointment terms. It is registered as a charity at the Charity Commission (charity number: 211775).

Charitable objects

Our charitable objects, as stated in the Royal Opera House governing document, are:

> 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 achievement of our aims as listed in the pages above (p12-p29) enable us to fulfil our charitable objects and therefore our legal purpose.

Public benefit

The Trustees refer to the Charity Commission's general guidance on public benefit when shaping and reviewing the Charity's aims, objectives and future strategies. In setting the level of ticket prices, charges and concessions, and in developing digital and broadcast distribution, the Trustees give careful consideration to the accessibility of the Royal Opera House to those on low incomes. As outlined in this report, this is addressed through maintaining a wide range of ticket prices, as well as through several ticket subsidy schemes, free events, digital and broadcast activity and an extensive learning and participation programme.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Appointment of Trustees

Trustees are appointed for an initial term of up to four years and are self-appointing. The Nominations and Remuneration Committee has delegated authority to recruit Trustees who are formally elected at Board meetings and ratified at the next following Annual General Meeting of the Company. On the expiry of such initial term they may be re-appointed for additional terms expiring on or before the financial year end following either the second or fourth anniversary of the date of re-appointment. No Trustee shall be appointed for a term exceeding twelve years. The Trustees appoint a Chair for a term of five years or less and on expiry of such term he or she may be re-appointed for a second term of three years or fewer by approval of the Trustees provided that on expiry of such second term he or she shall, unless the Trustees otherwise exceptionally determine, retire from office. The Nominations and Remuneration Committee reviews regularly the structure, size, composition, diversity and succession needs of the Board, ensuring that the Board has the required blend of skills and experience and its remit is to identify, assess and formally recommend to the Board candidates for appointment as Trustees.

Trustee Induction and training

New Trustees undergo an induction session with the Company Secretary to brief them on their obligations under charity and company law, the contents of the Memorandum and Articles of Association, the board manual and the committee and decision- making processes. During the induction new Trustees are also introduced to key employees and other Trustees.

Organisation

The direction and control of the Royal Opera House is determined by the Board of Trustees, which meets at least six times a year. The role of the Board is to direct the Royal Opera House strategy and to ensure that the Royal Opera House is on the approved strategic course (including artistic strategy) and that it is properly and effectively managed. The following sub-committees of the Board are established (which in the case of Development, Learning and Participation and Digital Strategy, include members who are not Trustees).

Audit and Risk: The committee meets at least three times a year. The committee is chaired by Julian Metherell. Other members are Caroline Britton (appointed 8 February 2022), Kirsty Cooper, Lady Heywood, Sir Nicholas Hytner (retired 1 September 2021), Sir John Kingman (retired 1 September 2021), Paul Morrell OBE, Laura Wade-Gery (retired 1 January 2021) and Danny Wyler. Alex Beard, Mindy Kilby (Director of Finance) and Heather Walker (Director of Operations), report to all meetings. The committee is responsible for considering and reviewing matters relating to the control environment, including internal audit, health and safety and risk management, including consideration of matters raised by the external auditors. The committee is responsible for the appointment of the external auditors, meets regularly with them and reviews their performance and independence.

Finance and Operations: The committee meets six times a year. The committee is chaired by Lady Heywood. Other members are Caroline Britton (appointed 8 February 2022),Lord John Browne (appointed 26 February 2021), Timothy Bunting (appointed 6 July 2021), Sir Lloyd Dorfman CBE, Sir Nicholas Hytner (retired 1 September 2021), Sir John Kingman (retired 1 September 2021), Julian Metherell, Paul Morrell OBE, Laura Wade-Gery (retired 1 January 2021) and Danny Wyler. Alex Beard, Mindy Kilby (Director of Finance) and Heather Walker (Director of Operations), report to all meetings. The committee is responsible for reviewing and assessing the balance, integrity and transparency of financial information, the adequacy of financial planning, budgeting and forecasting, and the Royal Opera House's annual financial statements. It makes recommendations to the Board on major capital expenditure and revenue contracts and on the overall framework for delegated financial authority in the Royal Opera House.

Development: The committee is chaired by Danny Wyler. Other members are Timothy Bunting, The Countess of Chichester, Nicola Davidson (retired 4 May 2021), Sir Lloyd Dorfman (appointed 14 December 2021), Dame Vivien Duffield, Lady Heywood (retired 1 September 2020), Robert Kalff (retired 31 August 2021), Paul Raphael (retired 11 August 2021), Sir Simon Robey (appointed 14 May 2021), Dame Gail Ronson, David Ross (appointed 1 September 2020, retired 13 May 2021), The Earl of Snowdon, Andrew Walton (retired 31 August 2021) and Lady Young of Graffham. Alex Beard and Amanda Saunders (Director of Development and Enterprises) report to all meetings. The committee supports the Development department in maximising fundraising opportunities and income.

Donation and Income Acceptance: Lady Heywood chaired the committee until 1 September 2020, when David Ross assumed the chair. David Ross retired on 13 May 2021, and Sir Simon Robey assumed the chair on 14 May 2021. Other members are Zeinab Badawi (appointed 6 July 2021), Kirsty Cooper, Susan Hoyle (appointed 26 May 2021) and Danny Wyler. The committee supports the organisation around the ethical acceptance/rejection of sponsorship, donations and membership. This includes making decisions,

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

recommending referral of those decisions to the Charity Commission where appropriate, assessing the potential impact of those decisions while advising the business communications department with regard to their rationale, advising the main Board on the associated risks, annually reviewing the policy on accepting/rejecting such funds and monitoring compliance with this policy.

Learning and Participation: The committee is chaired by Susan Hoyle. Other members are Alex Beard, Helen Bruckdorfer, Hilary Carty, Annie Crombie (appointed 20 April 2021), Dame Vivien Duffield, Jane Ellison (retired 19 November 2020), David Hall (retired 19 November 2020), Anne McElvoy (retired 19 November 2020), Tanya Joseph (appointed 20 April 2021), Simon Pearson (appointed 5 October 2021), Dame Theresa Sackler (retired 19 November 2020), Jonathan Sands and Bridget Whyte. Jillian Barker (Director of Learning and Participation) reports to all meetings. The committee supports the organisation in planning, implementing and monitoring programmes and initiatives focused on learning, participation and widening engagement.

Nominations and Remuneration: Lady Heywood chaired the committee until 1 September 2020, when David Ross assumed the chair. David Ross retired on 13 May 2021, when Sir Simon Robey assumed the chair from 14 May 2021. Sir Simon Robey retired on 26 May 2021, when Susan Hoyle OBE assumed the chair. Other members are Dame Vivien Duffield, Lady Heywood, Sir John Kingman (retired 1 September 2021), Julian Metherell and Danny Wyler. Alex Beard and Dale Haddon also attends these meetings. The committee nominates appointees to the Board and other Senior Executives for approval by the Board. It may co-opt additional members where particular expertise is required and a particular role is under consideration. The committee is also responsible for the continuous review of Board membership to ensure that a proper balance of skills, experience and diversity is maintained. The committee is responsible for reviewing and benchmarking internationally the pay, benefits and total compensation of the Executive Team. The activities of the Royal Opera House are driven by the artistic plans of the Royal Ballet and the Royal Opera, and managed by the Chief Executive with the support of the Executive Team. The Committee consider the Chief Executive, Music Director, Director of the Royal Ballet and Director of Opera as key management personnel responsible for these activities. The Committee conducts an annual review of executive compensation, focussing on survey data from a range of comparable UK and international arts organisations, and also takes into account the annual pay award for all staff. Under the chairmanship of the Senior Independent Director the Nominations and Remuneration Committee will set up a subcommittee to propose and assess candidates for the Chairmanship of the Board.

Digital Strategy: The committee is chaired by Christopher Townsend (appointed 20 April 2021). Other members are Timothy Bunting (appointed 20 April 2021), Simon McGrath (appointed 20 April 2021), Sir Simon Robey (appointed 14 May 2021), David Ross (appointed 20 April 2021, retired 13 May 2021). The committee supports the organisation in overseeing the development and implementation of the organisation's strategy for digital content and communications.

Executive Team: the day-to-day management is the task of the Royal Opera House Executive

The Trustees appoint the Chief Executive and, with him, the most senior management. Royal Opera House operations are managed by the Chief Executive with the assistance of an Executive Team comprising:

Alex Beard, Chief Executive
Jillian Barker, Director of Learning and Participation
Heather Baxter, Administrative Director, The Royal Ballet
Bob Brandsen, Production Director *(until 31 August 2020)*
Melanie Crompton, Orchestra Administrative Director *(until 30 April 2021)*
Mark Dakin, Technical Director
Lindsey Glen, Head of Policy and Strategy *(until 10 December 2020)*
Dale Haddon, Director of Human Resources
Mark Heholt, Head of Policy and Strategic Funding (*from 8 March 2021*)
Leah Hurst, Head of Legal and Business Affairs
Peter Katona, Director of Casting
Koen Kessels, Music Director, The Royal Ballet
Mindy Kilby, Director of Finance
Terry McGrath, Director of Audiences & Media
Oliver Mears, Director of Opera
Kevin O'Hare, Director, The Royal Ballet
Antonio Pappano, Music Director
Amanda Saunders, Director of Development and Enterprises
Cormac Simms, Administrative Director, The Royal Opera
Laura Stevenson, Renewal Programme Director
Heather Walker, Director of Operations
James Whitebread, Chief Technology Officer (*from 10 June 2021*)

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Emma Wilson, Deputy Director of Technical & Production

The Chief Executive (assisted by the Executive Team) is responsible for the development and implementation of the strategy and business plans of the Royal Opera House. The Executive Team meets weekly to monitor artistic, operational and financial progress against plans approved by Trustees. It should be noted that where the title 'Director' is used in the above table this is an internal management term only and does not indicate directorship according to the Companies Act definition.

The Royal Opera Company and The Royal Ballet Company are internal divisions of the charity. The Royal Ballet has a Royal Charter dating in its original form from 1956. The Royal Opera House, The Royal Ballet and The Royal Opera Company have the Sovereign's permission to use the word 'Royal' in their titles.

We would also to thank the following for support, advice and encouragement throughout the year:

Ambassadors

The Countess of Chichester
Dame Gail Ronson DBE

The Board of the Royal Opera House Endowment Fund

Dame Vivien Duffield, Chair
Tim Bunting, Hamish Forsyth, Lady Gavron, Sir Simon Robey, Peter Troughton CBE

Board of Honorary Directors

Lady Heywood, Chair (retired 1 September 2020)
David Ross, Chair (appointed 1 September 2020, retired 13 May 2021)
Sir Simon Robey, Chair (appointed 14 May 2021)
The Countess of Chichester, Honorary Vice Chair
Dame Gail Ronson, Honorary Vice Chair

Gregory and Regina Annenberg Weingarten
Lady Ashcroft
Mikhail Bakhtiarov
Celia Blakey
Mr & Mrs Anthony Bolton
Boodles – Michael Wainwright
BP International – Peter Mather
Tim and Sarah Bunting
Susan Burns OBE and John Burns
Ricki Gail Conway
Dr Genevieve and Mr Peter Davies
Sir Mick and Lady Barbara Davis
Sir Lloyd and Lady Dorfman
Dame Vivien Duffield
Aline Foriel-Destezet
Hamish and Sophie Forsyth
The Deborah Loeb Brice Foundation
David and Sarah Fransen
Kenneth and Susan Green
Lady Hamlyn
Jane Hamlyn
Dr Catherine Høgel
Charles Holloway
Aud Jebsen
Frances Kirsh
Doug and Ceri King
Alfiya and Timur Kuanyshev
Lord and Lady Laidlaw
Rena and Sandro Lavery
Margarita Louis-Dreyfus and Phillipp Hildebrand
The Marguiles Family
Bertrand and Elisabeth Meunier
Marit Mohn
OANDA Europe Limited – David Hodge
Mrs Susan A Olde OBE
Stefan Sten Olsson
Jette and Alan Parker
Natalie Parker
Melinda and Donald Quintin
Julia and Hans Rausing
Yvonne and Bjarne Rieber
Sir Simon and Lady Robertson
Rolex – Arnaud Boetsch
The Gerald and Gail Ronson Family Foundation
Ruinart – Mr Bertrand Steip
Dame Theresa Sackler
Mrs Lily Safra
Lord and Lady Sainsbury of Preston Candover
Kim Samuel
Tina Taylor
Lindsay and Sarah Tomlinson
Van Cleef & Arpels – Geoffroy Medinger
Dr and Mrs Michael West
Danny and Lillian Wyler
Anonymous (4)

The Royal Opera House Pension Fund: Richard Soper, Chair

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

REFERENCE AND ADMINISTRATIVE DETAILS

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Charity number

211775

Company number

00480523

PRINCIPAL OFFICE

Royal Opera House
Covent Garden, London,
WC2E 9DD

AUDITORS

Grant Thornton UK LLP 30 Finsbury Square, London, EC2A 1AG

BANKERS

Coutts & Co. 440 Strand, London, WC2R 0QS

INVESTMENT ADVISORS

Stonehage Fleming Investment Management Limited, 15 Suffolk Street, London SW1Y 4HG

Troy Asset Management Limited Brookfield House, 33-34 Davies Street, London W1K 4BP

Newton Investment Management Limited BNY Mellon Centre, 160 Queen Victoria Street, London, EC4V 4LA

ACTUARIES

(to the Royal Opera House Pension Scheme) **Lane Clark & Peacock LLP**

95 Wigmore Street, London, W1U 1DQ

INTERNAL AUDITORS

RSM UK Group LLP

25 Farringdon Street London EC4A 4AB

LOTTERY FUNDED
Supported using public funding by ARTS COUNCIL ENGLAND

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Group entities

On 29 August 2021 the group included the charity and:

Royal Opera House Endowment Fund 2000

Royal Opera House Enterprises Limited

ROH Holdings Limited

ROH Developments Limited

The consolidated financial statements include the results of these entities, as detailed in Note 2. See Note 2 for the principal activities of these entities.

Equality policy/statement

The Royal Opera House has an ongoing commitment to promoting diversity throughout all its work – as an employer, in the art we perform, and in the extent of our audience. We report annually to Arts Council England on our progress against an action plan, which is keenly monitored by the Board of Trustees.

Environmental strategy

It is the ambition of the Royal Opera House to be a leader in environmental sustainability and to act as a catalyst for positive change in this field.

Recognising our global reach and leadership role within the UK arts sector, we embrace our responsibility and obligation to reduce our impact on the environment and we aim to engage with our audiences, staff, suppliers and partners to raise awareness about sustainability issues. It is our belief that reducing our environmental impact will not only have a positive effect on the environment, but will also make our operations more efficient and economical and will enhance our organisational resilience in the long term.

Health and safety

The charity has a health and safety committee comprised of representatives from many departments. All new employees are issued with a health and safety policy document. In addition, under the supervision of the occupational health unit, there are trained first-aiders in all departments. A full report on Health and Safety is considered annually by the Board.

Employees

The charity informs and seeks the views of its employees by means of regular department meetings open to all employees and newsletters. Regular meetings are held with the recognised unions: BECTU (Broadcasting Entertainment Cinematograph and Theatre Union), The Musicians' Union and Equity.

Disabled persons

The charity encourages the employment of disabled persons. It is Board policy to ensure that continued employment is offered, wherever possible, to employees who become temporarily disabled and special arrangements are made for those permanently disabled.

Political and charitable contributions

The charity made no political contributions during the period. No charitable contributions were made during the period, other than as disclosed in Note 9 to the financial statements.

Payment policy

It is the charity's policy to pay suppliers in accordance with agreed credit terms. The Royal Opera House had trade creditors equivalent to 20 days supply at the period end *(53 week period ended 30 August 2020: 18 days)*.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

Fundraising statement

Our guiding principle for fundraising is to build secure, long term fundraising support from our Members, encouraging their interest in our charitable work, allowing them to engage with our staff and projects and seeing how their additional gifts help us. Our fundraising materials are written and designed around this principle.

Fundraising activities include targeted direct mail, events and leaflets at promoting donations and bequests, donations through our website, and approaches to Trusts, Foundations, companies and individual benefactors.

Our fundraising is carried out by our in-house fundraising teams and we are a registered member of The Fundraising Regulator. We have procedures in place to ensure our staff and volunteers comply with fundraising standards and regulation; we are not aware of any failure by our staff or volunteers to meet these standards. We are committed to acting promptly if we receive any information indicating we have not met these standards.

In 2020/21 we received 7 general fundraising complaints about our fundraising activity. If complaints are received we respond quickly and ensure corrective action is taken as required. If complaints are received about the suggested donations added to ticket purchases, these are refunded at the point of complaint.

We take our responsibilities on managing our contact data very seriously and we strive to ensure that our policies and procedures around data and processing meet our legal requirements, our high expectations and those of our supporters. As part of the risk-based audit plan and in line with our risk management processes, Internal Audit performs regular reviews of the Fundraising team activities and control environment.

We recognise the need to protect vulnerable people. We ensure comprehensive training is provided to ensure that empathy and respect are demonstrated towards people in vulnerable circumstances and that no donation is sought or gained from someone who may not have the capacity to make an informed and considered decision.

We respect our supporters' privacy and rights to decide how and if we contact them. We make it easy for supporters to choose how they want to hear from us, and if they ask us not to contact them we will not, unless it is a legal or administrative requirement.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Trustees' responsibilities statement

The trustees (who are also directors of Royal Opera House Covent Garden Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected 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. Under company law 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 charitable group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Annual Report (incorporating the strategic report) was approved by the Board of Trustees and signed on 29 March 2022.

Sir Simon Robey, Chair

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Independent auditor's report to the members of Royal Opera House Covent Garden Foundation

Opinion

We have audited the financial statements of Royal Opera House Covent Garden Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the 52 week period ended 29 August 2021, which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated Balance Sheet, the Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows 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 group's and parent charitable company's affairs as at 29 August 2021 and of the group's incoming resources and application of resources including, its income and expenditure for the period 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 Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 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 group and parent charitable company 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 directors 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 group and company'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 group and company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group or for a company 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 group's and the parent charitable company'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 group or parent charitable company to cease to continue as a going concern.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company'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 group's and parent charitable company'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 group's and parent 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 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report, prepared for the purposes of company law, included in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Annual Report been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Annual Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 52, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group and the parent charitable company'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 group or parent charitable company 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 group and parent 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 Companies Act 2006 and the Data Protection Act 2018.
- We understood how the group and parent charitable company 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 group and parent charitable company'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: A1295D5B-3427-439A-94D7-8089E4B64797

- 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 group and parent charitable company'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 group and parent charitable company'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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Redfern
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
29 March 2022

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

FINANCIAL STATEMENTS

ROYAL OPERA HOUSE COVENT GARDEN FOUNDATION (LIMITED BY GUARANTEE)

Consolidated financial statements

52 week period ended 29 August 2021

Registered charity number: 211775. Registered company number: 00480523.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Consolidated statement of financial activities

for the 52 week period ended 29 August 2021

	Note	Total Unrestricted Funds	Restricted Funds	Endowment Funds	52 week period ended 29-Aug-21 Total Funds	53 week period ended 30-Aug-20 Total Funds
		£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Charitable activities						
Operation of Royal Opera House (including box office)	3	**6,619**	-	-	**6,619**	37,766
Government Grant	5	-	**10,636**	-	**10,636**	12,416
Donations and legacies						
Donations, legacies and similar incoming resources	6	**32,274**	**3,394**	**1,078**	**36,746**	29,090
Grants from Arts Council England	4	**24,472**	**740**	-	**25,212**	24,945
Other trading activities						
Commercial trading income	7	**4,324**	-	-	**4,324**	12,502
Investments	8	**532**	**222**	-	**754**	1,297
Total income and endowments		**68,221**	**14,992**	**1,078**	**84,291**	118,016
Expenditure on:						
Charitable activities						
Productions, sales and operations	9	**(61,365)**	**(13,949)**	-	**(75,314)**	(108,731)
Raising Funds						
Generating voluntary income	11	**(3,115)**	**(294)**	-	**(3,409)**	(4,507)
Commercial activities	12	**(2,147)**	**(91)**	-	**(2,238)**	(8,393)
Restructuring	15	**(691)**	-	-	**(691)**	(5,816)
Interest payable	16,25	**(202)**	-	-	**(202)**	(62)
Total expenditure	14	**(67,520)**	**(14,334)**	-	**(81,854)**	(127,509)
Net gain / (loss) on investments	19	-	**286**	**4,176**	**4,462**	(231)
Net income / (expenditure)		**701**	**944**	**5,254**	**6,899**	(9,724)
Transfers between funds	17	**1,697**	**(1,697)**	-	-	-
Other recognised gains and (losses)						
Gain / (Loss) on revaluation of heritage assets	19,23	**156**	-	-	**156**	(3,739)
Actuarial gain / (loss) on the defined benefit pension scheme	31	**5,316**	-	-	**5,316**	(7,601)
Net movement in funds		**7,870**	**(753)**	**5,254**	**12,371**	(21,064)
Fund balances brought forward at 30 August 2020	27	**175,537**	**13,090**	**43,427**	**232,054**	253,118
Fund balances carried forward at 29 August 2021	27	**183,407**	**12,337**	**48,681**	**244,425**	232,054

Amounts relating to incoming resources and resources expended in the current and previous period derive from continuing activities. No significant new operations have been acquired in the period or the previous period.

There is no difference between the results for the period stated above and their historical cost equivalents, except for unrealised gains and losses on investments and heritage assets (see note 19).

Notes from pp. 63-106 form part of the financial statements.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Consolidated income and expenditure account

for the 52 week period ended 29 August 2021

	Note	52 week period ended 29-Aug-21 Total Income Funds £'000	53 week period ended 30-Aug-20 Total Income Funds £'000
Income and endowments from			
Charitable activities			
Operation of Royal Opera House (including box office)	3	**6,619**	37,766
Government Grant	5	**10,636**	12,416
Donations and legacies			
Donations, legacies and similar incoming resources	6	**35,668**	28,923
Grants from Arts Council England	4	**25,212**	24,945
Other trading activities			
Commercial trading income	7	**4,324**	12,502
Investments	8	**754**	1,297
Total income and endowments		**83,213**	117,849
Expenditure on:			
Charitable activities			
Productions, sales and operations	9	**(75,314)**	(108,731)
Raising Funds			
Generating voluntary income	11	**(3,409)**	(4,507)
Commercial activities	12	**(2,238)**	(8,393)
Restructuring	15	**(691)**	(5,816)
Interest payable	16,25	**(202)**	(62)
Total expenditure	16	**(81,854)**	(127,509)
Net income / (expenditure) before taxation		**1,359**	(9,660)
Taxation	36	**-**	-
Net income / (expenditure) after taxation		**1,359**	(9,660)

The consolidated income and expenditure account is prepared for Companies Act purposes and presents the group's gross income and expenditure. The consolidated statement of financial activities includes the consolidated income and expenditure account along with movements in endowment funds and unrealised gains and losses and actuarial gains and losses on pension liability.

Notes from pp. 63-106 form part of the financial statements.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Consolidated balance sheet

as at 29 August 2021

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	29 August 2021 Total Funds	30 August 2020 Total Funds
		£'000	£'000	£'000	£'000	£'000
Fixed assets						
Intangible fixed assets	20	1,327	-	-	1,327	1,377
Tangible fixed assets	21	179,890	10,260	-	190,150	196,664
Heritage assets	23	5,760	-	-	5,760	16,791
Investments	22(a)	-	-	39,075	39,075	38,584
Total fixed assets		186,977	10,260	39,075	236,312	253,416
Current assets						
Productions in preparation		2,427	-	-	2,427	957
Stocks	24	439	-	-	439	422
Debtors: amounts falling due after more than one year	25	1,230	-	5,430	6,660	6,760
Debtors: amounts falling due within one year	25	14,807	612	-	15,419	18,454
Cash at bank and in hand		68,759	2,316	-	71,075	23,800
		87,662	2,928	5,430	96,020	50,393
Creditors: amounts falling due within one year	26	(39,414)	472	4,176	(34,766)	(34,086)
Net current assets		48,248	3,400	9,606	61,254	16,307
Total assets less current liabilities		235,225	13,660	48,681	297,566	269,723
Creditors: amounts falling due after one year	26	(21,700)	(1,323)	-	(23,023)	(1,365)
Net assets excluding pension liability		213,525	12,337	48,681	274,543	268,358
Defined benefit pension scheme liability	31	(30,118)	-	-	(30,118)	(36,304)
Net assets including pension liability		183,407	12,337	48,681	244,425	232,054
Funds						
Unrestricted general funds	27	4,156	-	-	4,156	4,470
Unrestricted revaluation funds	27	389	-	-	389	7,708
Unrestricted designated funds	27	208,980	-	-	208,980	199,663
Unrestricted funds before pension reserve		213,525	-	-	213,525	211,841
Unrestricted pension reserve	31	(30,118)	-	-	(30,118)	(36,304)
Restricted funds	27	-	12,337	-	12,337	13,090
Endowment fund	27	-	-	48,681	48,681	43,427
Total Funds		183,407	12,337	48,681	244,425	232,054

These financial statements were approved by the board of Trustees on 29 March 2022 and were signed on its behalf by:

SIR SIMON ROBEY
Trustee

JULIAN METHERELL
Trustee

Notes from pages 63-106 form part of these financial statements.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Parent charitable company balance sheet

as at 29 August 2021

	Note	Unrestricted Funds £'000	Restricted Funds £'000	29 August 2021 Total Funds £'000	30 August 2020 Total Funds £'000
Fixed assets					
Intangible fixed assets	20	1,327	-	1,327	1,377
Tangible fixed assets	21	179,890	10,260	190,150	196,664
Heritage assets	23	5,760	-	5,760	16,791
Investment in subsidiaries	22(b)	6,676	-	6,676	6,676
Total fixed assets		193,653	10,260	203,913	221,508
Current assets					
Productions in preparation		2,427	-	2,427	957
Debtors: amounts falling due after more than one year	25	400	-	400	600
Debtors: amounts falling due within one year	25	14,920	659	15,579	19,098
Cash at bank and in hand		63,865	-	63,865	20,440
		81,612	659	82,271	41,095
Creditors: amounts falling due within one year	26	(33,745)	-	(33,745)	(33,613)
Net current assets		47,867	659	48,526	7,482
Total assets less current liabilities		241,520	10,919	252,439	228,990
Creditors: amounts falling due after one year	26	(21,700)	(1,323)	(23,023)	(1,365)
Net assets excluding pension liability		219,820	9,596	229,416	227,625
Defined benefit pension scheme liability	31	(30,118)	-	(30,118)	(36,304)
Net assets including pension liability		189,702	9,596	199,298	191,321
Funds					
Unrestricted General funds	27	4,672	-	4,672	4,670
Unrestricted Revaluation funds	27	389	-	389	7,708
Unrestricted Designated funds	27	214,759	-	214,759	205,436
Unrestricted Funds before pension		219,820	-	219,820	217,814
Unrestricted pension reserve	31	(30,118)	-	(30,118)	(36,304)
Restricted funds	27	-	9,596	9,596	9,811
Total Charity funds		189,702	9,596	199,298	191,321

The parent company's profit for the period, before other comprehensive income, was £2.505m (2020: £8.712m loss). After gain on revaluation of heritage assets and actuarial gain on defined benefit scheme the profit for the period was £7.977m (2020: £20.052m).

These financial statements were approved by the board of Trustees on 29 March 2022 and were signed on its behalf by:

SIR SIMON ROBEY

Trustee

JULIAN METHERELL

Trustee

Notes from pages 63-106 form part of these financial statements.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Consolidated statement of cash flows

for the 52 week period ended 29 August 2021

	Note	**52 week period ended**	53 week period ended
		29-Aug-21	30-Aug-20
		£'000	£'000
Cash inflow / (outflow) from operating activities	32(a)	**12,809**	(2,774)
Cash inflow / (outflow) from investing activities	32(b)	**12,868**	3,596
Cash inflow / (outflow) from financing activities	32(c)	**21,598**	(102)
Change in cash and cash equivalents in the reporting period		**47,275**	720
Cash and cash equivalents at the beginning of the reporting period		**23,800**	23,080
Cash and cash equivalents at the end of the reporting period		**71,075**	23,800

Notes from pages 63-106 form part of these financial statements.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

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 financial statements:

Basis of preparation

The financial statements have been prepared in accordance with FRS102 : The Financial Reporting Standard applicable in the UK and Republic of Ireland and under the historical cost convention, modified to include the revaluation of investments and heritage assets, and in accordance with 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) and Companies Act 2006. There are no material departures from FRS102.

Comparative figures are shown for the 53 week period ended 30 August 2020.

Going Concern

The Trustees must satisfy themselves as to the Royal Opera House's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Board of Trustees have considered business plans and budgets based on an artistic programme of activity to August 2023, supplemented by outline plans in other areas. These plans show improvement in the return to financial sustainability post-Covid, but there are still challenges ahead, and in the Board's assessment of going concern take into consideration whether the Royal Opera House has adequate resources to meet its obligations as they fall due in and beyond the 12 months from the date of approval of these financial statements.

Underlying assumptions in the plans and budgets are that there will not be further lockdowns or social distancing going forwards, however, we do anticipate a long-term negative impact on levels of box office income. In assessing going concern, the Board also considered financial risk should further closures occur, the impact of any shortfall in fundraising and trading income, and the impact of increasing inflation on costs. If the ROH were to experience performance cancellations in winter months there would be an impact on our box office income, with estimates ranging from £3.9m to £5.8m in lost box office across a winter month (Nov to Feb). Whilst the Trustees are confident that these risks have adequate mitigation to ensure the ROH remains a going concern, the modelling shows that there is sufficient liquidity to August 2023 excluding mitigations.

After consideration of the scenarios and the impact of the Recovery Plan, the Trustees consider that the Royal Opera House (Group and Parent Charitable Company) has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason, the financial statements of the Group and Parent Charitable Company have been prepared on a going concern basis.

Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of the charity (Royal Opera House Covent Garden Foundation (Limited by Guarantee), incorporated in the United Kingdom with registered address and principal address of Royal Opera House, Covent Garden, London WC2E 9DD) and its subsidiaries as set out in Note 22(b). All subsidiary results are presented for their statutory financial period, which falls within three months of the year end of the charity. The results of the ROH Holdings Limited Group and Royal Opera House Enterprises Limited (Company Number 04112266) have been included in the consolidated statement of financial activities throughout the period. ROH Holdings Limited (Company Number 02580395) is the holding company of ROH Developments Limited (Company Number 02580400). In the charity's financial statements, the investment in subsidiary undertakings is stated at cost.

The Royal Opera House Endowment Fund 2000 (Charity Registration Number 1089928) has also been consolidated in full throughout the period. Since its inception the Fund has been able to make grants (directly or indirectly) for the benefit of the Royal Opera House. The extent to which the Royal Opera House benefits

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

from the Royal Opera House Endowment Fund 2000 and the extent of grants and consideration of grants to other bodies has been reviewed annually by the Trustees since its creation. Since the beginning of the period ended 25 March 2007, the Trustees have considered it appropriate to consolidate the Royal Opera House Endowment Fund 2000 into the Royal Opera House Covent Garden Foundation Group (formerly the Royal Opera House Covent Garden Limited Group). In the Trustees' view, Royal Opera House Covent Garden Foundation has control in that it actually exercises dominant influence over the Royal Opera House Endowment Fund 2000, through influencing the operating and financial policies for the benefit of the ROH and both entities are managed on a unified basis. Also, the objects of Royal Opera House Endowment Fund 2000 are substantially confined to the benefit of Royal Opera House Covent Garden Foundation.

A separate Statement of Financial Activities, or income and expenditure account, has not been presented for the charity in accordance with Section 408 of the Companies Act 2006. The income and expenditure of the charity are detailed in note 27. A separate cash flow statement has not been presented for the charity in accordance with FRS 102 section 1.12(b).

Public Benefit Entity

The Royal Opera House Covent Garden Foundation (Limited by Guarantee) is a Public Benefit Entity under FRS102.

Significant judgements and key sources of estimation uncertainty

Management have exercised their judgement in the following areas:

Assessing the useful lives of tangible fixed assets (see ***Tangible fixed assets and depreciation*** below) as well as any impairment provision required for those assets. See Note 21 for carrying values for the current and prior periods.

The valuation method of heritage assets. See **Heritage assets** below and Note 23 for more details and for carrying values for the current and prior periods.

The decision to include ROH Endowment Fund 2000 in the Group Consolidation. See **Basis of consolidation** above.

In addition, the pension actuarial assumptions (see **Pension Costs** below and Note 31) are areas of significant judgement.

That the rate payable on the intragroup loan payable from Royal Opera House Enterprises Limited to Royal Opera House Covent Garden Foundation Limited a commercial rate of interest and that, given the decision to continue not to demand immediate payment, that the long term portion of the loan continue to be disclosed in **Debtors: amounts due after more than one year** (see Note 25).

Management have used estimations in the following areas:

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 25 for carrying values for the current and prior periods.

In addition, the valuation of Investment in Programming assets (see **Intangible Fixed Assets** below and Note 20) is an area of significant judgement and estimation.

Functional Currency

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

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Income

Box office and other income from the operation of the Royal Opera House is stated net of Value Added Tax and consists primarily of ticket sales together with sales of other goods and services. Revenue from ticket sales is recognised on the night of the performance.

Membership income received is recognised on a time-apportioned basis over the period to which the membership relates.

Grants and donations are 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.

Legacies are accounted for when the receipt is probable, there is evidence of entitlement and can be measured reliably. Entitlement is assessed using conditions as set out in the will of the deceased legacy owner.

Sponsorship income represents income from commercial organisations in support of specific activities. Income is recognised at the date of the event which is the point of delivery for goods or services.

Co-production income represents income from other theatre companies as a contribution towards the costs of delivering a new Opera or Ballet production. Income is recognised at the date of the first performance of the production.

Grants from Arts Council England are recognised on entitlement and when their receipt is probable.

Commercial trading income and other income is recognised at the point of delivery of goods or services.

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.

Amounts due to the Royal Opera House in respect of the Theatre Tax Credit are included in the financial year to which the claim relates. These amounts are recognised in income, rather than as a tax credit or recovery of expenditure, as the intention and nature of the Theatre Tax Credit is akin to government grant income.

Payment from a trading subsidiary under Gift Aid

Royal Opera House Enterprises Limited has adopted a policy of paying all its taxable profits to its parent charity, Royal Opera House Covent Garden Foundation, under Gift Aid. These gift aid payments are recognised in Royal Opera House Enterprises Limited as distributions through equity in the financial period in which the profits arise, under the terms of the Deed of Covenant between Royal Opera House Enterprises Limited and Royal Opera House Covent Garden Foundation.

The Royal Opera House Covent Garden Foundation recognises the income in the period in which the profits of the subsidiary arise.

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 Charity. Assets are recognised only when it is probable that future economic benefits will flow to the Charity 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.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

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 notes 30(b) and 30(c).

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.

Fund accounting

Unrestricted funds are those that can be used in accordance with the charitable objectives at the discretion of the Trustees and include designated funds, representing unrestricted funds which have been earmarked for particular purposes.

Restricted funds are to be used in accordance with charitable objects and specific restrictions placed by the donor. Restricted funds have been further subdivided into restricted income funds and endowment funds. Restricted income funds are expendable at the discretion of the Trustees on specific purposes as required by donors.

Endowment funds represent those assets that are required to be invested to produce income to meet expenditure, either as directed by the endowment or for general purposes.

A transfer is made between restricted capital funds, representing tangible fixed assets required to be held for restricted purposes, and unrestricted funds to match depreciation charged on those tangible fixed assets.

Cash at bank and in hand

Cash at bank and in hand 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. These include deposits with more than 24 hours' notice to access. Any cash deposits at institutions with a notice period of longer than three months are separately disclosed under Short term investments: Deposits.

Short term investments: Deposits

Cash deposits with notice periods of more than three months are separately disclosed on the balance sheet and included in investing activities for the purposes of the cash flow statement. These have a maturity date of less than one year and are held for investment purposes rather than to meet short-term cash commitments as they fall due.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Tangible fixed assets costing less than £1,500 are not capitalised and are expensed through the income and expenditure account. Depreciation is provided at annual rates on a straight-line basis to write off the cost of tangible fixed assets over their estimated useful lives.

The principal rates used are as follows:

Freehold land and buildings	1 - 10%
Equipment and vehicles	2 - 33%

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Stage, production and technical equipment	2 - 20%
Other equipment	2 - 25%
Computer hardware	33%
Motor vehicles	25%

Assets in course of construction are transferred to functional tangible fixed asset categories when the asset is ready for use and depreciated thereafter.

Heritage assets

The Royal Opera House maintains the following types of heritage assets:

- Fine art
- Costumes and accessories
- Other collections

Heritage assets are carried at fair value. Fair value of the fine art collection is based on retail replacement cost. Management have made reference to the latest available external valuations in forming their assessment of period end fair value. Gains and losses on revaluation are recognised through 'Other recognised gains' in the Statement of Financial Activities.

The Royal Opera House only recognises new acquisitions on the Balance Sheet where the value of these acquisitions is greater than £10,000. Purchases under £10,000 are recognised as an expense in the income and expenditure account in the period they were incurred.

Outside of those assets recognised on the balance sheet, there is an extensive collection of other items that are not valued and not included on the balance sheet. These include, but are not limited to, costumes, accessories, music scores and the audio visual collection. Before embarking on a comprehensive valuation, these assets would need to be fully catalogued, and given the extent of the items this would be a considerable and lengthy task. Also, due to the uniqueness of the majority of these assets, there is no comparable market value.

Expenditure which is required to preserve or prevent further deterioration of individual collection items is recognised in the income and expenditure account when it is incurred. The Collections department has a rolling programme of review and restoration and the budget put aside for this on an annual basis is £15,000.

Investments

Investments, excluding investments in subsidiaries, are shown at fair value as at the balance sheet date. 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 the 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 the asset or liability.

Realised and unrealised gains on investments are recognised in the income and expenditure account. Investments in subsidiaries are recorded at cost in the individual balance sheet of the charity.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the exchange rate ruling at balance sheet date. Transactions in foreign currency are translated at the exchange rate ruling at that date of the transaction. Foreign currency gains and losses are recognised as resources expended in the income and expenditure account.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Intangible fixed assets

Intangible fixed assets include investment in programming costs and computer software.

Investment in programming costs are capitalised and amortised over their expected useful life, which is up to two years depending on format and the terms of licences acquired. The costs capitalised are third party costs that include capture costs, post-production costs, rights clearances and other directly attributable costs. These assets are reviewed for impairment where events or changes in circumstances indicate that the carrying amount may not be recoverable. Any anticipated losses on individual projects are expensed in the income and expenditure account.

Computer software is stated at cost less accumulated amortisation. Computer software costing less than £1,500 is not capitalised and is expensed through the income and expenditure account. Amortisation is provided at an annual rate of 33% on a straight-line basis to write off the cost of the computer software over its estimated useful life. Computer software in course of construction is transferred to the intangible asset category when the asset is ready for use, and amortised thereafter.

Basic Loans

Loans payable are included at their amortised cost and disclosed in Note 26. The long term portion is included in Creditors: amounts falling due after one year with the current portion included in Creditors: amounts falling due within one year.

Loans receivable are included at their amortised cost and disclosed in Note 25. The long term portion is included in Debtors: Amounts due after one year with the current portion included in Debtors: amounts due within one year.

Expenditure

Expenditure on charitable activities comprises expenditure on productions, sales and operations of the Royal Opera House, and grants and transfers to third party organisations. Direct expenditure on productions staged is charged to costs of production and sales on the day of the first performance. Expenditure relating to productions which have not had their first performance by the period end are held on the balance sheet under the caption 'Productions in preparation.'

Expenditure on raising funds consist of direct fundraising costs and costs of commercial trading operations. These costs are recognised when incurred.

Support costs, including management and administration, and premises and depreciation costs have been allocated across expenditure on production, sales and operation, and expenditure on raising funds. Support costs are analysed in note 14.

On occasion, management decides to make redundancy or termination payments for operational reasons. These are expensed in the SOFA on an accruals basis.

Governance costs, including audit fees and legal and professional fees on statutory and governance matters, are allocated across expenditure on productions, sales and operation, and expenditure on raising funds. These are analysed in note 13.

Interest payable is shown separately in the Statement of Financial Activities and in note 26.

Any irrecoverable VAT is included as part of the cost to which it relates.

Leases

As a lessee: Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

As a lessor: 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.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Pension costs

The charity operates a pension scheme providing benefits based on final pensionable pay, which is now closed to future accrual. Pension scheme assets are measured at fair value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability method. The pension scheme liability is disclosed on the balance sheet within unrestricted funds. The actuarial gain or loss for the period is disclosed under other recognised gains and losses in the Statement of Financial Activities. The current service costs and finance charge are included within expenditure on productions, sales and operations. These movements are analysed in detail in note 31.

The group also contributes to five defined contribution schemes for dancers, singers, musicians, and administration staff. The amounts charged to the Statement of Financial Activities represent the contributions payable to the schemes during the period. The amounts are shown in the Statement of Financial Activities in the same activity as the payroll costs which relate to that activity. For amounts which relate to payroll costs within support costs, these are allocated to the relevant activity on the same basis as other support costs (see Note 14).

Any liabilities for unpaid contributions at year end are included in unrestricted creditors in the balance sheet.

Stocks

Retail items are included at the lower of cost and net realisable value.

Productions in preparation

Expenditure relating directly to a production which is incurred in advance of its staging, such as commissioning, build costs and stocks of production materials, are held in the first instance on the balance sheet and disclosed under the heading 'Productions in preparation.' These costs are subsequently charged to the income and expenditure account in the period in which the production's first performance takes place.

Gifts in kind

Investments and other assets donated to the charity are included as donated voluntary income valued at market value at the time of receipt.

Volunteers

The Royal Opera House Group benefits from the role played by volunteers, which includes assisting in certain learning and participation activities, helping with large mail-outs and some general administrative support. The Royal Opera House Volunteer Programme includes a number of volunteers in Thurrock. Donated services such as the contribution from unpaid volunteers are not recognised in the Statement of Financial Activities as the amounts involved would be impractical to measure.

Financial Instruments

Financial instruments are accounted for in accordance with FRS102. Financial instruments are recognised only when the Group and Charity becomes a party to the contractual provisions of the instrument.

The initial amount recognised is the transaction price, except for financing transactions (for example, loans below market rate or accounts where payment is deferred beyond normal terms) where the amount recognised initially is the present value of the future payments, discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost using the effective rate of interest determined at inception of the loan.

Subsequent measurement at each year end for non-financing transactions is:

- undiscounted cash receivable or payable for debt instruments due or receivable within one year (this includes intra-group balances, apart from intra-group loans, which are deemed to be repayable on demand); or
- amortised cost using the effective interest rate method for debt instruments due or receivable for more than one year; or

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

- fair value for investments in publicly traded shares, funds and bonds.

For financial assets measured at amortised cost, an impairment assessment is conducted at year end and if there is any objective evidence of an impairment loss, that loss is recognised in the Statement of Financial Activities immediately. Where there is subsequently objective evidence that the circumstances have improved, the impairment loss is reversed in the Statement of Financial Activities immediately, limited to what the carrying amount would have been without the initial impairment.

A financial asset and a financial liability is offset and the net amount presented in the Balance Sheet when, and only when, (a) there is currently a legally enforceable right to set off the recognised amounts; and (b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial instruments are disclosed in Note 33. See policies above for specific policies for cash at bank and in hand, debtors, creditors, investments and basic loans.

Taxation

As a charitable entity, the Royal Opera House Covent Garden Foundation (Limited by Guarantee) is exempt from corporate taxation. There are no recognised deferred tax amounts in the subsidiaries as there are no recognised significant timing differences.

Employee benefits

All employee benefits are recognised as expenses in the period in which they are incurred. Post-employment benefits, representing contributions into defined contribution plans for current employees are equally recognised as expenses in the period in which the contribution payable is exchanged for services rendered by employees. The assets of the scheme are held separately from the charity.

A termination benefit liability is recognised at the earlier of the following dates:

- when the entity can no longer withdraw the offer of those benefits or;
- when the entity recognises costs for the restricting which involves the payment of termination benefits.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

2. Subsidiary undertakings

Charitable subsidiaries

The charity has one connected charity – the Royal Opera House Endowment Fund 2000. The Royal Opera House Endowment Fund 2000 is treated as a subsidiary for reasons outlined in Note 1.

Royal Opera House Endowment Fund 2000 (the "Endowment Fund") supports the work of the Royal Opera House and other organisations by raising funds to support projects which increase the appreciation and understanding of the musical arts in all forms. It is a separately registered charity, and its board has a majority of Trustees who are independent of the Royal Opera House.

The summary results for the Endowment fund are shown below:

	Endowment Fund	
	Year Ended	Year Ended
	31-Aug-21	31-Aug-20
	£'000	£'000
Income		
Donations, legacies and similar income	**1,900**	620
Investment income	**712**	1,134
Total income	**2,612**	1,754
Expenditure		
Cost of sales and administrative expenses	**(9)**	(18)
Donations and grants to other group undertakings	**(2,426)**	(2,254)
Investment managers' fees	**(246)**	(261)
Total expenditure	**(2,681)**	(2,533)
Gains / (Losses) on revaluation and disposal of investments	**4,462**	(232)
Net movement in funds	**4,393**	(1,011)

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

2. Subsidiary undertakings (continued)

The assets and liabilities of the Endowment fund were:

	Endowment Fund	
	31-Aug-21	31-Aug-20
	£'000	£'000
Fixed asset investments	**39,075**	38,584
Current assets	**12,511**	8,645
Current liabilities	**(65)**	(101)
Total net assets	**51,521**	47,128
Total funds	**51,521**	47,128

Except for fixed asset investments which at 31 August 2021 had an historical cost of £35.4m *(31 August 2020: £33.3m)* there is no difference between the carrying values and their historical cost equivalents.

Trading subsidiaries

The charity has two trading subsidiaries – ROH Holdings Limited and Royal Opera House Enterprises Limited.

Royal Opera House Enterprises Limited ("ROHEL") is a wholly owned trading subsidiary, whose principal activities are catering to customers and staff of the Royal Opera House, the sponsorship of Royal Opera House productions, multimedia production and distribution, hire of allocated spaces within the Royal Opera House, the sale of merchandise through the Royal Opera House shop, the sale of advertising through the Royal Opera House programmes and the licensing of the Royal Opera House brands. The charity owns the entire issued share capital. The reporting date of ROHEL is the same as the charity's, which falls on the last Sunday in August each year.

ROH Holdings is a holding company and has one wholly owned subsidiary, ROH Developments Limited, a property development company. The ROH Holdings Group prepares its accounts to 31 August each year. Summary trading results of all trading subsidiaries are shown below:

	ROHEL		ROHHL	
	52 week period ended 29-Aug-21 £'000	53 week period ended 30-Aug-20 £'000	**52 week period ended 31-Aug-21 £'000**	52 week period ended 31-Aug-20 £'000
Turnover	**3,856**	12,040	**5**	5
Cost of Sales	**(1,609)**	(8,650)	**(5)**	(5)
Gross profit	**2,247**	3,390	**-**	-
Administration and financial expenses	**(1,054)**	(1,456)	**-**	-
Operating profit	**1,193**	1,934	**-**	-
Profit before taxation	**1,193**	1,934	**-**	-
Taxation for current year's profits	**(227)**	(367)	**-**	-
Taxation relief for current year's profits	**227**	367	**-**	-
Net profit for the period	**1,193**	1,934	**-**	-
Donations under the gift aid scheme	**(1,193)**	(1,934)	**-**	-
Retained result in subsidiary for the period	**-**	-	**-**	-

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

2. Subsidiary undertakings (continued)

The assets and liabilities of each trading subsidiary were:

	ROHEL		ROHHL	
	29-Aug-21 £'000	30-Aug-20 £'000	**31-Aug-21 £'000**	31-Aug-20 £'000
Intangible fixed assets	**-**	-	**320**	320
Current assets	**2,526**	2,955	**5**	5
Current liabilities	**(1,950)**	(2,179)	**(5)**	(5)
Non-current liabilities	**(400)**	(600)	**-**	-
Total net assets	**176**	176	**320**	320
Aggregate share capital and reserves	**176**	176	**320**	320

3. Income from operation of Royal Opera House

	52 week period ended 29-Aug-21 £'000	**52 week period ended 29-Aug-10 £'000**	53 week period ended 30-Aug-20 £'000	53 week period ended 30-Aug-20 £'000
Unrestricted funds:				
Box office receipts:				
The Royal Opera	**1,698**		15,883	
The Royal Ballet	**1,097**		11,744	
		2,795		27,627
Other income:				
Publications	**1**		478	
Other	**1,968**		3,689	
Theatre Tax Credit	**1,855**		3,554	
		3,824		7,721
UK total		**6,619**		35,348
Overseas touring receipts		**-**		2,418
		6,619		37,766

Other income includes £1.97m *(53 week period ended 30 August 2020: £3.69m)*. This represents box office receipts from productions, other than those on the main stage, co-production income and income from production and costume hires, income from audio-visual exploitation, income from learning and participation, income from ice-cream sales and backstage tours and other income from sundry sources.

4. Grants from Arts Council England

	52 week period ended 29-Aug-21 £'000	53 week period ended 30-Aug-20 £'000
Unrestricted funds:		
Arts Council England - grant in aid	**24,472**	24,213
Restricted funds:		
Arts Council England - Bridge funding	**740**	732

Other forms of government assistance, apart from Arts Council England, included grants from the Thurrock Borough Council and other government agencies for learning and participation projects of £0.02m *(53 week period ended 30 August 2020: £0.1m)* included as other income in Note 3.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

5. Grants from the UK Government

	52 week period ended 29-Aug-20 £'000	53 week period ended 30-Aug-20 £'000
Restricted funds:		
UK Government - Coronavirus Job Retention Scheme	**10,636**	12,416

The UK Government's Coronavirus Job Retention Scheme (CJRS) was announced on 20 March 2020 as one of a number of support schemes for UK employers as a result of the impact of the Covid-19 pandemic. Initially the scheme was to run for three months, backdated to 1 March 2020. The UK Government extended the scheme into 2021 with support varying from 60% of a staff wage up to a maximum of £1,875 per person per month to 80% of a staff wage up to a total of £2,500 per person per month. No national insurance or employer pension contributions were supported. The scheme closed at 30 September 2021.

6. Donations, legacies and similar incoming resources

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 29-Aug-21**
	£'000	£'000	£'000	**£'000**
Membership	5,737	-	-	**5,737**
Events	10	-	-	**10**
Donations, gifts and legacies	26,527	3,394	1,078	**30,999**
	32,274	3,394	1,078	**36,746**

	Unrestricted Funds	Restricted Funds	Endowment Funds	**53 week period ended 30-Aug-20**
	£'000	£'000	£'000	**£'000**
Membership	7,453	-	-	**7,453**
Events	369	-	-	**369**
Donations, gifts and legacies	15,754	5,347	167	**21,268**
	23,576	5,347	167	**29,090**

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

7. Commercial Trading Income

	52 week period ended 29-Aug-21 £'000	53 week period ended 30-Aug-20 £'000
Unrestricted Funds		
Catering	**614**	5,552
Sponsorship	**1,799**	1,904
Sales of audio-visual materials	**427**	340
Cinema broadcast	**257**	2,556
Retail	**546**	1,044
Promotions and summer season	**184**	-
Venue Hire	**-**	408
Advertising	**21**	195
Property recharges	**468**	463
Licensing	**8**	40
	4,324	12,502

The closure of the Opera House for the majority of the 2020/21 Season resulted in significant impact to commercial income streams, in particular catering, cinema, retail and venue hire.

8. Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	52 week period ended 29-Aug-21 £'000
Dividend and interest income	262	222	-	**484**
Finance lease interest income	270	-	-	**270**
	532	222	-	**754**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	53 week period ended 30-Aug-20 £'000
Dividend and interest income	564	463	-	**1,027**
Finance lease interest income	270	-	-	**270**
	834	463	-	**1,297**

Dividend and interest income is earned on funds managed (for the Royal Opera House Endowment Fund 2000) by the investment managers Stonehage Fleming Investment Management Limited, Troy Asset Management Limited and Newton Investment Management Limited, and as well as interest received on bank deposits. Finance lease interest income is derived from the leases for the retail units on the site of the Royal Opera House.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

9. Expenditure on productions, sales and operations

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 29-Aug-21**
	£'000	£'000	£'000	**£'000**
The Royal Opera	5,054	1,179	-	**6,233**
The Royal Ballet	7,803	1,623	-	**9,426**
Orchestra of the Royal Opera House	4,163	2,024	-	**6,187**
Royalties and hire fees	81	-	-	**81**
Production	2,357	4,024	-	**6,380**
Stage and transport	6,397	1,727	-	**8,124**
Touring expenses	-	-	-	**-**
Other production and sales costs	5,306	197	-	**5,503**
Front of House	566	437	-	**1,003**
Marketing and publicity	6,495	275	-	**6,770**
Education, archives & live relays	1,612	903	-	**2,515**
Support costs (note 14)	22,391	1,561	-	**23,952**
Grants (note 10)	10	-	-	**10**
Expense on pension scheme	(870)	-	-	**(870)**
	61,365	13,949	-	**75,314**

	Unrestricted Funds	Restricted Funds	Endowment Funds	**53 week period ended 30-Aug-20**
	£'000	£'000	£'000	**£'000**
The Royal Opera	14,945	1,072	-	**16,017**
The Royal Ballet	9,286	1,784	-	**11,070**
Orchestra of the Royal Opera House	8,045	1,530	-	**9,575**
Royalties and hire fees	423	-	-	**423**
Production	5,378	7,380	-	**12,758**
Stage and transport	9,585	3,091	-	**12,676**
Touring expenses	1,959	-	-	**1,959**
Other production and sales costs	6,417	185	-	**6,602**
Front of House	1,439	384	-	**1,823**
Marketing and publicity	6,807	467	-	**7,274**
Education, archives & live relays	2,210	1,034	-	**3,244**
Support costs (note 14)	24,329	618	-	**24,947**
Grants (note 10)	10	-	-	**10**
Expense on pension scheme	353	-	-	**353**
	91,186	17,545	-	**108,731**

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

9. Expenditure on productions, sales and operations (continued)

The employer cash contribution to the defined benefit pension scheme is included in the expenditure on productions, sales and in operations in the Unrestricted fund in the Statement of Financial Activities. The gain on the pension scheme above, which is recognised in the Unrestricted pension reserve in note 27, represents the difference between the cash contributions and the expense in the Statement of Financial Activities as calculated by the Scheme's actuary (refer to note 31).

10. Grants

	52 week period ended 29-Aug-21 £'000	53 week period ended 30-Aug-20 £'000
Unrestricted funds		
Grant to Royal Ballet School	**10**	10
	10	10

Grants made are in furtherance of the charity's objectives.

11. Expenditure on generating voluntary income

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 29-Aug-21**
	£'000	£'000	£'000	**£'000**
Fundraising staff costs	1,578	102	-	**1,680**
Fundraising overheads	530	127	-	**657**
Support costs	1,007	65	-	**1,072**
	3,115	294	-	**3,409**

	Unrestricted Funds	Restricted Funds	Endowment Funds	**53 week period ended 30-Aug-20**
	£'000	£'000	£'000	**£'000**
Fundraising staff costs	1,615	175	-	**1,790**
Fundraising overheads	1,525	155	-	**1,680**
Support costs	1,012	25	-	**1,037**
	4,152	355	-	**4,507**

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

12. Expenditure on commercial activities

	Unrestricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 29-Aug-21**
	£'000	£'000	£'000	**£'000**
Retail costs	295	-	-	**295**
Advertising and licensing costs	(1)	-	-	**(1)**
Sponsorship costs	65	-	-	**65**
Audio visual recording, production and distribution costs	-	-	-	**-**
Cinema broadcast costs	301	16	-	**317**
Property recharges	468	-	-	**468**
Catering costs	507	-	-	**507**
Other commercial costs	512	75	-	**587**
	2,147	91	-	**2,238**

	Unrestricted Funds	Restricted Funds	Endowment Funds	**53 week period ended 30-Aug-20**
	£'000	£'000	£'000	**£'000**
Retail costs	707	-	-	**707**
Advertising and licensing costs	39	-	-	**39**
Sponsorship costs	194	-	-	**194**
Audio visual recording, production and distribution costs	122	-	-	**122**
Cinema broadcast costs	1,132	39	-	**1,171**
Property recharges	463	-	-	**463**
Catering costs	4,765	-	-	**4,765**
Other commercial costs	761	171	-	**932**
	8,183	210	-	**8,393**

13. Governance costs

	52 week period ended 29-Aug-21	53 week period ended 30-Aug-20
	£'000	£'000
Unrestricted funds		
External audit (see note 14)	**104**	104
Legal and professional costs	**359**	364
	463	468

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

14. Allocation of support costs

	Expenditure on production, sales and operations (note 9) 29-Aug-21 £'000	Expenditure on generating voluntary income (note 11) 29-Aug-21 £'000	**Total 52 week period ended 29-Aug-21 £'000**
Management and administration	4,590	205	**4,795**
Premises	9,810	439	**10,249**
Depreciation, amortisation and impairment	9,109	408	**9,517**
External audit	100	4	**104**
Legal and professional costs	343	16	**359**
	23,952	1,072	**25,024**

	Expenditure on production, sales and operations (note 9) 30-Aug-20 £'000	Expenditure on generating voluntary income (note 11) 30-Aug-20 £'000	**Total 53 week period ended 30-Aug-20 £'000**
Management and administration	5,539	230	**5,769**
Premises	9,459	393	**9,852**
Depreciation, amortisation and impairment	9,498	395	**9,893**
External audit	100	4	**104**
Legal and professional costs	349	15	**364**
	24,945	1,037	**25,982**

Directly attributable support costs are allocated to governance costs where appropriate. The remaining support costs are pro-rated between the key cost driving areas: expenditure on productions, sales and operations and expenditure on raising funds, based on their proportional costs to the overall costs.

15. Restructuring costs

	52 week period ended 29-Aug-21 £'000	53 week period ended 30-Aug-20 £'000
Unrestricted funds		
Restructuring costs	**691**	5,816
	691	5,816

In July 2020 the Royal Opera House announced a restructure of the organisation as part of a four-point plan to deal with the long-term impacts of the Covid-19 pandemic on the Royal Opera House and ensure its continued existence. The consultation process with affected staff and the three recognised unions: Equity, the Broadcasting, Entertainment, Cinematographic and Theatre Union (BECTU) and the Musician's Union concluded in December 2020. The impact of the restructure continued into the 2020/21 Season with further structural changes planned, in particular within the Human Resources team.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

16. Total expenditure

Net (expenditure) / income is stated after charging the following:

	52 week period ended 29-Aug-21 £'000	53 week period ended 30-Aug-20 £'000
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	**79**	79
Fees payable to the charitable company's auditor for other services:		
Audit of the charitable company's subsidiaries, pursuant to legislation	**25**	25
Audit fees relating to prior period	**15**	-
Depreciation and other amounts written off:		
Tangible fixed assets - owned (note 21)	**8,466**	9,402
Amortisation of intangible fixed assets (note 20)	**887**	2,093
Operating leases - land and buildings	**24**	24
Interest payable	**202**	62

17. Gross transfers between funds

Gross transfers between funds		Unrestricted General Fund £'000	Unrestricted Designated Fund £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 29-Aug-21 £'000**
Depreciation & Amortisation	*17(a)*	271	-	(271)	-	-
Fixed Asset Fund	*17(b)*	5,544	(5,044)	(500)	-	-
Other Designated Funds	*17(c)*	(6,798)	6,798	-	-	-
Endowment	*17(d)*	926	-	(926)	-	-
		(57)	1,754	(1,697)	-	-

Gross transfers between funds		Unrestricted General Fund £'000	Unrestricted Designated Fund £'000	Restricted Funds £'000	Endowment Funds £'000	**53 week period ended 30-Aug-20 £'000**
Depreciation & Amortisation	*17(a)*	308	-	(308)	-	-
Fixed Asset Fund	*17(b)*	1,562	(1,007)	(555)	-	-
Other Designated Funds	*17(c)*	7,030	(7,030)	-	-	-
Endowment	*17(d)*	1,124	-	(1,124)	-	-
		10,024	(8,037)	(1,987)	-	-

(a) Depreciation of £0.3m *(53 week period ended 30 August 2020: £0.3m)* was charged against unrestricted income then matched by a transfer from restricted funds. Restricted funds include those funds that have been granted specifically to finance the capital expenditure on the Bob and Tamar Manoukian Production Workshop and the Bob and Tamar Manoukian Costume Centre.

(b) A net transfer of £5.5m *(53 week period ended 30 August 2020: £1.6m)* was made to the Unrestricted General Fund. There was a transfer from Restricted Funds of £0.5m, representing amounts received for the Open Up project *(53 week period ended 30 August 2020: £0.6m)*. There was a transfer of £5.0m from the Unrestricted Fixed Asset Fund to the Unrestricted General Fund, representing a transfer for the net decrease in the charity's tangible fixed assets *(53 week period ended 30 August 2020: £1.0m)*.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

17. Gross transfers between funds (continued)

(c) A net transfer of £6.8m *(53 week period ended 30 August 2020: £7.0m)* was made to other designated funds. A transfer was made from Unrestricted General Funds to other designated funds of £6.8m representing recovery campaign funds accumulated in the 20/21 Season.

(d) Transfers of £0.9m *(53 week period ended 30 August 2020: £1.1m)* were made to Unrestricted General Funds from Restricted Funds.

18. Staff numbers and costs

The full time equivalent number of permanent and casual staff employed by the group during the period was as follows:

	Number of staff	
	52 week period ended 29-Aug-21	53 week period ended 30-Aug-20
Production	**291**	440
Orchestra	**114**	129
Royal Ballet	**128**	143
Royal Opera	**71**	86
Sales and marketing	**67**	111
Management and administration	**72**	91
Fundraising	**34**	41
Education and collections	**35**	36
Premises	**3**	5
Shop	**7**	16
	822	1,098

The aggregate payroll costs of these persons were as follows:

	52 week period ended 29-Aug-21 £'000	53 week period ended 30-Aug-20 £'000
Payroll Costs		
Wages and salaries	**34,218**	51,070
Social security costs	**4,298**	5,560
Other pension costs, of which:	**3,666**	4,160
-contributions to defined contribution pension schemes	2,434	2,960
-operating costs of defined benefit pension scheme	1,232	1,200
Non-PAYE payroll costs	**3,497**	3,509
	45,679	64,299

The average salary cost per employee (£40,787), excluding termination costs, is a decrease compared to prior period (£41,215) and includes increases for the London Living Wage. The decrease in average salary cost per employee is partly due to a 20% reduction in salary for all those earning £37,500 and above from May 2020 until December 2020 together with a reduction in salary for all those earning a base salary of £75,000 and over as a response to the impact of the Covid-19 pandemic.

Included in the wages and salaries are termination and redundancy payments of £1,334,682 *(for 53 week period ended 30 August 2020: £417,179)* that left employment up to 29 August 2021. All termination and redundancy costs are included in total payroll costs of £45.7m, as above. During 20/21 we recognised £691,103 *(for 53 week period ended 30 August 2020: £5,816,342)* of additional payroll costs associated with the restructure that was first announced in July 2020, which are included in the £45.7m of total payroll costs. See Note 15 for further details.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

18. Staff numbers and costs (continued)

The emoluments of all employees, including employees whose emoluments exceeded £60,000 for the period, fell within the following bands:

			Number of staff 52 week period ended 29-Aug-21			Number of staff 53 week period ended 30-Aug-20		
			Performers	Artistic and General Management	**Total**	Performers	Artistic and General Management	**Total**
	up to	£59,999	235	502	737	195	777	972
£60,000	-	£69,999	25	16	41	49	22	71
£70,000	-	£79,999	4	10	14	13	6	19
£80,000	-	£89,999	5	2	7	7	4	11
£90,000	-	£99,999	2	1	3	2	-	2
£100,000	-	£109,999	1	2	3	2	2	4
£110,000	-	£119,999	1	2	3	2	2	4
£120,000	-	£129,999	3	-	3	1	1	2
£130,000	-	£139,999	3	1	4	3	-	3
£140,000	-	£149,999	-	2	2	2	-	2
£150,000	-	£159,999	-	2	2	-	3	3
£160,000	-	£169,999	-	1	1	1	-	1
£170,000	-	£179,999	-	-	-	-	1	1
£180,000	-	£189,999	-	1	1	-	1	1
£220,000	-	£229,999	-	1	1	-	-	-
£260,000		£269,999	-	-	-	-	1	1
£390,000	-	£399,999	-	-	-	-	1	1
			279	543	**822**	277	821	**1,098**

Emoluments comprise wages and salaries together with benefits in kind.

For employees in bandings from £60,000 and above, contributions of £428,644 *(for 53 week period ended 30 August 2020: £700,737)* were made during the period to defined contribution pension schemes.

Retirement benefits were accruing to 81 *(30 August 2020: 125)* of the above employees under defined contribution pension schemes, and to nil *(30 August 2020: nil)* under a defined benefit pension scheme.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

18. Staff numbers and costs (continued)

Emoluments for the key management personnel are as follows:

	Salary (£)	Fees (£)	Total Emoluments (£)	Pension (£)	National Insurance (£)	Total (£)
52 week period ended 29-Aug-21						
Sir Antonio Pappano, Music Director	9,823	12,000	21,823	-	2,809	24,632
Alexander Beard, CBE, Chief Executive	224,396	-	224,396	-	29,762	254,158
Kevin O'Hare, Director, The Royal Ballet	184,163	-	184,163	18,026	24,199	226,388
Oliver Mears, Director of Opera	169,882	-	169,882	6,385	22,228	198,495
	588,264	**12,000**	**600,264**	**24,411**	**78,998**	**703,673**

	Salary (£)	Fees (£)	Total Emoluments (£)	Pension (£)	National Insurance (£)	Total (£)
53 week period ended 30-Aug-20						
Sir Antonio Pappano, Music Director	68,760	321,720	390,480	5,833	53,091	449,404
Alexander Beard, CBE, Chief Executive	268,189	-	268,189	-	35,810	303,999
Kevin O'Hare, Director, The Royal Ballet	193,794	-	193,794	18,999	25,544	238,337
Oliver Mears, Director of Opera	171,901	-	171,901	6,698	22,523	201,122
	702,644	**321,720**	**1,024,364**	**31,530**	**136,968**	**1,192,862**

As noted on page 85, there were reductions in salaries in line with the terms of our Cultural Recovery Fund loan with senior staff earning in excess of £150,000 taking a reduction of 10% from December 2020. Voluntarily, Alex Beard increased his reduction to 25% and Sir Antonio Pappano waived his salary from April 2020 to July 2021.

Emoluments for Sir Antonio Pappano comprise a salary and separately contracted fees for conducting and directing, respectively. The total level of fees varies season to season depending on the number of Royal Opera House engagements undertaken.

Key management personnel are reflected in the table above. Their compensation for the 52 week period ended 29 August 2021 included emoluments of £0.6m *(53 week period ended 30 August 2020: £1.024m)* which together with pension costs of £24,411 *(53 week period ended 30 August 2020: £31,530)* and employer contributions to national insurance of £78,998 *(53 week period ended 30 August 2020: £136,968)* came to £0.7m *(53 week period ended 30 August 2020: £1.19m)*. Key management personnel also include Trustees who receive no compensation as detailed in Note 29. Key management personnel do not include all of the Executive Team as listed in the Trustees' report.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

19. Net Gains on investments and on revaluation of heritage assets

Endowment Funds	52 week period ended 29-Aug-21 £'000	53 week period ended 30-Aug-20 £'000
Realised gains on disposal of investments	5,969	1,759
Unrealised loss on revaluation of investments	(1,507)	(1,990)
Gains / (Loss) on investment assets	**4,462**	(231)

Unrestricted Funds	52 week period ended 29-Aug-21 £'000	53 week period ended 30-Aug-20 £'000
Unrealised gains / (loss) on revaluation of heritage assets	156	(3,739)
Gains / (Loss) on heritage assets	**156**	(3,739)

20. Intangible fixed assets

Group	Investment in Programming £'000	Computer Software £'000	Total £'000
Cost			
At beginning of period	**13,748**	**6,078**	**19,826**
Additions	**(75)**	**912**	**837**
At end of period	**13,673**	**6,990**	**20,663**
Amortisation			
At beginning of period	**13,482**	**4,967**	**18,449**
Amortisation for period	176	711	887
At end of period	13,658	5,678	19,336
Net book value			
At 29 August 2021	**15**	**1,312**	**1,327**
At 30 August 2020	266	1,111	1,377

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

20. Intangible fixed assets (continued)

	Investment in Programming	Computer Software	Total
Charity	**£'000**	**£'000**	**£'000**
Cost			
At beginning of period	**16,600**	**6,078**	**22,678**
Additions	**(75)**	**912**	**837**
At end of period	**16,525**	**6,990**	**23,515**
Amortisation			
At beginning of period	**16,334**	**4,967**	**21,301**
Amortisation for period	176	711	887
At end of period	16,510	5,678	22,188
Net book value			
At 29 August 2021	**15**	**1,312**	**1,327**
At 30 August 2020	266	1,111	1,377

21. Tangible fixed assets

	Freehold premises	Assets in the course of construction	Equipment & vehicles	Total
Group	**£'000**	**£'000**	**£'000**	**£'000**
Cost				
At beginning of period	210,533	9,391	89,488	309,412
Additions	1,210	819	264	2,293
Transfers	-	(1,143)	1,143	-
Disposals	(198)	-	(1,344)	(1,542)
At end of period	211,545	9,067	89,551	310,163
Depreciation and diminution in value				
At beginning of period	55,369	-	57,379	112,748
Charge for period	4,796	-	3,671	8,467
Disposals	(198)	-	(1,004)	(1,202)
At end of period	59,967	-	60,046	120,013
Net book value				
At 29 August 2021	**151,578**	**9,067**	**29,505**	**190,150**
At 30 August 2020	155,164	9,391	32,109	196,664

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

	Freehold premises	Assets in the course of construction	Equipment & vehicles	Total
Charity	**£'000**	**£'000**	**£'000**	**£'000**
Cost				
At beginning of period	210,533	9,391	89,466	309,390
Additions	1,210	819	264	2,293
Transfers	-	(1,143)	1,143	-
Disposals	(198)	-	(1,344)	(1,542)
At end of period	211,545	9,067	89,529	310,141
Depreciation and diminution in value				
At beginning of period	55,369	-	57,357	112,726
Charge for period	4,796	-	3,671	8,467
Disposals	(198)	-	(1,004)	(1,202)
At end of period	59,967	-	60,024	119,991
Net book value				
At 29 August 2021	**151,579**	**9,067**	**29,505**	**190,150**
At 30 August 2020	155,164	9,391	32,109	196,664

Assets in the course of construction represents projects in progress and equipment received but not placed in service before the period end (£9.1m).

In 2013, a fixed and floating charge lasting 30 years was provided as security for the potential repayment obligations under a grant of £10m from Arts Council England for capital projects.

In October 2014, a first deed of mortgage over the Bob and Tamar Manoukian Costume Centre and by way of first fixed charge, all its present and future plant and machinery on or serving the Property (apart from the mortgage charge) and the rents *(if any)* was provided as security for a loan of £1.5m from the Thurrock Borough Council. The current balance of the loan is £1.32m. The net book value of the Bob and Tamar Manoukian Costume Centre at 29 August 2021 was £4.2m *(30 August 2020: £4.3m)*.

As part of the actuarial valuation of the pension scheme (see Note 31), the Trustee secured a charge on the Royal Opera House's main self-occupied property to help cover the cost of transferring the Scheme's liabilities to an insurance company *(up to the amount of £65.3m)* if the Royal Opera House became insolvent.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

22. Investments

(a) Group: The following investments were held through the Royal Opera House Endowment Fund 2000 at period end:

	Group 29 August 2021 £'000	Group 30 August 2020 £'000
Held with investment managers:		
- Venture funds	**301**	358
- Quoted equities	**18,378**	18,381
- Hedge funds	**220**	291
- Bonds	**9,119**	8,882
- Cash funds	**7,405**	7,171
- Gold	**3,652**	3,501
Total investment with Investment Managers	**39,075**	38,584

Movements in investments held with investment managers:

	Listed investments £'000	Other investments £'000	Total 29 August 2021 £'000
Endowment Funds			
Fair value at beginning of period	37,817	767	**38,584**
Additions (at cost)	-	-	**-**
Disposals	(3,774)	(195)	**(3,969)**
Net realised and unrealised gains	4,423	37	**4,460**
Fair value at end of the period	38,466	609	**39,075**
Historical cost at end of the period	34,676	761	35,437

	Listed investments £'000	Other investments £'000	Total 30 August 2020 £'000 Total
Endowment Funds			
Fair value at beginning of period	38,003	1,146	**39,149**
Additions (at cost)	1,997	-	**1,997**
Disposals	(1,980)	(350)	**(2,330)**
Net realised and unrealised gains	(209)	(23)	**(232)**
Fair value at end of the period	37,811	773	**38,584**
Historical cost at end of the period	32,569	761	33,330

As at 31 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.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

(b) Charity: The following were the subsidiary undertakings of Royal Opera House Covent Garden Foundation as at 29 August 2021:

	Country of incorporation	Principal activity	Percentage of shares held
Subsidiary undertaking			
ROH Holdings Limited	UK	Holding company	100%
ROH Developments Limited	UK	Property development	100%
ROH Pension Trustee Limited	UK	Trustee company	100%
ROH Productions Limited	UK	Theatre productions	100%
Royal Opera House Enterprises Limited	UK	Catering / Sponsorship / Multimedia production and distribution/ Retail / Venue Hire / Licensing of brand	100%

The issued share capital in ROH Holdings Limited (which is the holding company for ROH Developments Limited) is 2 £1 shares.

ROH Pension Trustee Limited is a non-trading subsidiary. The issued share capital is 100 £1 shares.

ROH Productions Limited has been dormant since incorporation.

The issued share capital in Royal Opera House Enterprises Limited is 125,987 £1 shares *(125,987 £1 shares at 30 August 2020)*. The remaining balance is related to the original acquisition of Royal Opera House Enterprises Limited.

The Royal Opera House Endowment Fund 2000 is a connected charity of the Royal Opera House Covent Garden Foundation. See Note 2 for further details.

Investment in Royal Opera House Enterprises Limited:

Unrestricted Funds	**Charity 29 August 2021 £'000**	**Charity 30 August 2020 £'000**
Cost		
At beginning and end of period	**6,676**	**6,676**
Net book value		
At beginning of period	**6,676**	**6,676**
At end of period	6,676	6,676

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

23. Heritage assets

(a) Tangible fixed assets – heritage assets

	Fine art	Costumes & accessories	Other collections	Total 29 August 2021
Unrestricted Funds Group and Charity	**£'000**	**£'000**	**£'000**	**£'000**
Cost or valuation				
At beginning of period	14,149	1,477	1,165	16,791
Additions	-	-	88	88
Disposals	(11,275)	-	-	(11,275)
Revaluation	156	-	-	156
At end of period	**3,030**	**1,477**	**1,253**	**5,760**
At beginning of period	14,149	1,477	1,165	16,791

The external valuers for the Royal Opera House, Mark Peters, Senior General Valuer and David Vyvyan-Robinson, Picture Valuer of Gurr Johns, valued the entirety of the fine art collection in August 2021, on the basis of retail replacement values (RRV). RRV represents the value used for insurance, based on replacement in the retail market, or where appropriate in the second-hand retail market with items of a similar nature, age, condition and quality.

Included in the fine art collection was a painting by David Hockney, Portrait of Sir David Webster with Tulips. In October 2020 the painting was sold at auction to David Ross, the former Chair of the Royal Opera House. Refer to Note 30 for details of the sale of this painting. The value of the painting at the time of disposal was £11.275m.

Costumes and accessories and other collections have internal valuations. Where the valuation is internal, it has been provided by Julia Creed, Head of Collections. Julia Creed has a Master's degree in Archives and Records Management and has worked as an archivist at the Royal Opera House since 2004; since April 2015 she has been Head of Collections.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

23. Heritage assets (continued)

(b) Five year financial summary of heritage asset transactions:

Unrestricted Funds	29 August 2021 £'000	30 August 2020 £'000	25 August 2019 £'000	26 August 2018 £'000	27 August 2017 £'000
Purchases/Commissions					
Fine art	-	-	-	-	-
Costumes & accessories	-	-	-	-	-
Other collections	-	-	12	-	-
Donations					
Fine art	-	-	-	-	-
Costumes & accessories	-	-	-	-	-
Other collections	88	-	-	-	-
Disposals					
Fine art	(11,275)	-	-	-	-
Costumes & accessories	-	-	-	-	-
Other collections	-	-	-	-	-
Proceeds from disposals					
Fine art	11,275	-	-	-	-
Costumes & accessories	-	-	-	-	-
Other collections	-	-	-	-	-
Total additions	88	-	12	-	-

(c) Further information on Heritage Assets:

The Royal Opera House maintains three collections as follows:

The fine art collection consists of paintings, other pictures and drawings, furniture, furnishings, sculpture and pottery that have been donated and are on public display throughout the Royal Opera House.

The costumes and accessories collection consists of over 4,000 individual items worn by artists at the Royal Opera House. The collection contains some items from the late 19th and early 20th centuries, but most date from 1946 to the present. The majority of the collection is costumes, with a sizeable number of hats, headdresses and jewellery, and a growing number of shoes, boots and wigs.

Other collections include photographic collections, design collections, a portrait of Pavarotti and an autographed Donizetti score for *Elisabetta,* none of which are on permanent public display.

All assets are maintained and managed through the heritage asset register which is overseen by the Head of Collections.

Most new acquisitions are made through donation. A limited number of acquisitions are purchased where assets enhance the overall collections maintained by the charity. The Royal Opera House would not normally dispose of any heritage assets in their normal course of business.

The preservation of assets is the responsibility of the Head of Collections who holds an annual budget to maintain the quality of the assets.

The Charity exhibits assets throughout the Opera House and through exhibitions. In addition, many assets may be viewed electronically through the catalogue website at www.rohcollections.org.uk.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

24. Stocks

	Group 29 August 2021 £'000	Group 30 August 2020 £'000	Charity 29 August 2021 £'000	Charity 30 August 2020 £'000
Goods for resale	439	422	-	-
	439	422	-	-

During the 53-week period ended 29 August 2021 £290,150 *(53 week period ended 30 August 2020: £650,524)* of stock was expensed through the Statement of Financial Activities.

25. Debtors

	Group 29 August 2021 £'000	Group 30 August 2020 £'000	Charity 29 August 2021 £'000	Charity 30 August 2020 £'000
Amounts due after more than one year				
Finance lease debtor	5,430	5,430	-	-
Amounts due from subsidiary and associated undertakings	-	-	400	600
Prepayments	1,230	1,330	-	-
	6,660	6,760	400	600

	Group 29 August 2021 £'000	Group 30 August 2020 £'000	Charity 29 August 2021 £'000	Charity 30 August 2020 £'000
Amounts due within one year				
Trade debtors	5,925	4,198	5,468	3,473
Amounts due from subsidiary and associated undertakings	-	-	1,012	2,074
Accrued income	7,920	11,893	7,835	11,657
Other debtors	353	719	353	719
Prepayments	951	1,374	827	1,091
Finance lease debtor	270	270	84	84
	15,419	18,454	15,579	19,098

Amounts due from subsidiary and associated undertakings after more than one year in the Charity represent a loan from Royal Opera House Covent Garden Foundation to Royal Opera House Enterprises Limited, with interest charged at a rate of 2% above the Bank of England base rate.

The expected repayments on the loan are as follows:

	Capital £'000	Interest £'000	Total 52 Week Period Ended 29-Aug-21 £'000
Due within one year	200	16	216
Due between one year and two years	200	11	211
Due between two years and five years	200	6	206
	600	33	633

The finance lease debtor represents a 5% income interest in the leases for the retail units on the site of the Royal Opera House.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

25. Debtors (continued)

Reconciliation between gross investment in a lease and the present value of minimum lease payments receivable is as follows:

	Group 29 August 2021 £'000	Group 30 August 2020 £'000
Gross investment in a finance lease at the end of the period	59,513	59,782
Unearned finance income for the period	(53,813)	(54,082)
Present value of minimum lease payments at the end of the period	5,700	5,700

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 £'000	Present value of minimum lease payments £'000
Not later than one year	270	258
later than one year and not later than five years	1,081	922
later than five years	58,162	4,520
	59,513	5,700

There are no unguaranteed residual values accruing to the lessor and no accumulated allowance for uncollectible minimum lease payments. There were no contingent rents for the period *(53 week period ended 30 August 2020: £53k).*

26. Creditors

Amounts falling due within one year

	Group 29 August 2021 £'000	Group 30 August 2020 £'000	Charity 29 August 2021 £'000	Charity 30 August 2020 £'000
Trade creditors	**5,238**	2,833	**5,182**	2,807
Taxation and social security	**137**	1,724	**137**	1,724
Accruals	**12,101**	20,027	**11,353**	19,912
Deferred income	**17,290**	9,502	**17,073**	9,170
	34,766	34,086	**33,745**	33,613

	Group 29 August 2021 £'000	Group 30 August 2020 £'000	Charity 29 August 2021 £'000	Charity 30 August 2020 £'000
Deferred income at start of period	**9,502**	19,770	**9,170**	19,306
Box office receipts, subscription and donations received	**17,589**	48,813	**15,085**	43,091
Released to statement of financial activities	**(9,801)**	(59,081)	**(7,182)**	(53,227)
Deferred income at end of period	**17,290**	9,502	**17,073**	9,170
Comprising:				
Advanced bookings	**8,608**	-	**8,608**	-
Subscriptions and donations	**5,813**	6,309	**5,813**	6,309
Other deferred income	**2,869**	3,193	**2,652**	2,861

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

26. Creditors (continued) Amounts falling due after one year

Thurrock Borough Council Loan

	52 Week Period Ended 29-Aug-21 £'000	53 Week Period Ended 30-Aug-20 £'000
Balance at the beginning of the year	**1,365**	1,405
Amounts repaid	**(102)**	(102)
Interest payable	**60**	62
Balance at the end of the year	**1,323**	1,365
Less amounts disclosed in creditors: amounts falling due within one year	**-**	-
Balance at the end of the year falling due after one year	**1,323**	1,365

The table below shows the amounts and timings of repayments due under the terms of the loan.

	Capital	Interest	**Total**	Capital	Interest	**Total**
			52 Week Period Ended 29-Aug-21			**53 Week Period Ended 30-Aug-20**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Due within one year	45	58	**103**	43	59	**102**
Due between one year and two years	46	55	**101**	45	57	**102**
Due between two years and five years	155	154	**309**	147	160	**307**
Due after five years	1,077	359	**1,436**	1,130	409	**1,539**
	1,323	626	**1,949**	1,365	685	**2,050**

In October 2014, a first deed of mortgage over the Bob and Tamar Manoukian Costume Centre and by way of first fixed charge, all its present and future plant and machinery on or serving the Property (apart from the mortgage charge) and the rents *(if any)* was provided as security for a loan of £1.5m from the Thurrock Borough Council. The current balance of the loan is £1.32m. The net book value of the Bob and Tamar Manoukian Costume Centre at 29 August 2021 was £4.2m *(30 August 2020: £4.3m)*.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

26. Creditors (continued) Amounts falling due after one year

Cultural Recovery Fund Loan

	52 Week Period Ended 29-Aug-21 £'000	53 Week Period Ended 30-Aug-20 £'000
Balance at the beginning of the year	-	-
Amounts drawn down	21,700	-
Amounts repaid	-	-
Interest payable	-	-
Balance at the end of the year	21,700	-
Less amounts disclosed in creditors: amounts falling due within one year	-	-
Balance at the end of the year falling due after one year	21,700	-

	Capital	Interest	Total 52 Week Period Ended 29-Aug-21	Capital	Interest	Total 53 Week Period Ended 30-Aug-20
	£'000	£'000	£'000	£'000	£'000	£'000
Due within one year	-	-	-	-	-	-
Due between one year and two years	-	276	276	-	-	-
Due between two years and five years	2,390	2,581	4,971	-	-	-
Due after five years	19,310	2,786	22,096	-	-	-
	21,700	5,643	27,343	-	-	-

In support of arts organisations affected by the Covid-19 pandemic, the government established a Cultural Recovery Fund (CRF) offering grants to smaller organisations and loans to larger organisations. In March 2021, the ROH received a loan from the CRF of £21.7m. The loan is interest bearing, at a rate of 2%, over a 20 year period and has a four year repayment holiday.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

27. Statement of Funds – Group

	At 30 August 2020	Incoming Resources	Outgoing Resources	Other gains/ (losses)	Transfers	At 29 August 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted General fund	4,415	68,133	(68,335)	-	(57)	4,156
Unrestricted Revaluation fund	7,708	-	-	156	(7,475)	389
Unrestricted Designated funds:						
Unrestricted Fixed Asset Fund	184,935	-	-	-	(5,044)	179,891
Unrestricted Heritage Asset Fund	9,084	88	-	-	(3,800)	5,372
Unrestricted Future Projects Fund	5,644	-	-	-	18,073	23,717
Unrestricted Funds before pension reserve	**211,786**	68,221	(68,335)	156	1,697	**213,525**
Unrestricted: pension scheme liability	**(36,304)**	-	**870**	**5,316**	-	**(30,118)**
Total unrestricted funds	**175,482**	**68,221**	**(67,465)**	**5,472**	**1,697**	**183,407**
Restricted funds:						
Thurrock Capital Fund	9,229	-	-	-	(271)	8,958
Production Fund	-	2,894	(2,894)	-	-	-
Coronavirus Job Retention Scheme	-	10,636	(10,636)			
Open Up Project Fund	-	500	-	-	(500)	-
Arts Council England Bridge programme fund	390	740	(732)	-	-	398
Arts Council England China skills exchange	164	-	-	-	-	164
ROH Holdings Limited	105	-	-	-	-	105
Endowment Restricted Income Fund	3,174	222	(127)	286	(926)	2,629
Special Projects	83	-	-		-	83
Total restricted funds	**13,145**	**14,992**	**(14,389)**	**286**	**(1,697)**	**12,337**
Endowment funds	**43,427**	**1,078**	-	**4,176**	-	**48,681**
Total funds	**232,054**	**84,291**	**(81,854)**	**9,934**	-	**244,425**

Unrestricted Funds: Unrestricted funds are segregated between general funds (representing free reserves and unrestricted general funds held in trading subsidiaries) and designated funds. The three designated funds at period end were the Fixed Asset Fund which is set at a level equivalent to the charity's fixed assets and intangible fixed assets (plus approved capital expenditure in the 20/21 season carried over to the 21/22 season), the Heritage Asset Fund which is equivalent to the charity's heritage assets and the Designated Future Projects Fund. The Designated Future Projects Fund represents funds earmarked for specific future projects. The pension scheme liability is disclosed in accordance with FRS 102.

Restricted Funds: The Thurrock Capital Fund has been established to hold funding received in the development of both the Bob and Tamar Manoukian Production Workshop and the Bob and Tamar Manoukian Costume Centre in Thurrock. The Production Fund represents donations received which are restricted for the purpose of specific productions. The Open Up Project Fund has been established to hold funding received towards the Open Up Project, a capital project intended to enhance audiences' experience of our work and inspire wider interest and engagement. The Bridge Programme Fund represents funding received from Arts Council England for improving the delivery of arts opportunities for children and young people, acting as a bridge between the arts and education sectors in Thurrock, Essex, Southend, Hertfordshire, Bedfordshire, Luton and North Kent. The Endowment Restricted Income Fund represents funds expendable on specific purposes as required by donors.

Endowment Funds: The balance above represents restricted capital reserves held by ROH Endowment Fund 2000.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

27. Statement of Funds - Charity

	At 30 August 2020	Incoming Resources	Outgoing Resources	Other gains/ (losses)	Transfers	At 29 August 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted General fund	4,617	66,084	(65,046)	-	(983)	4,672
Unrestricted Revaluation fund	7,708	-	-	156	(7,475)	389
Unrestricted Designated funds:						
Unrestricted Fixed Asset Fund	190,714	-	-	-	(5,044)	185,670
Unrestricted Heritage Asset Fund	9,084	88	-	-	(3,800)	5,372
Unrestricted Future Projects Fund	5,644	-	-	-	18,073	23,717
Unrestricted Funds before pension reserve	**217,767**	66,172	(65,046)	156	771	**219,820**
Unrestricted: pension scheme liability	**(36,304)**	-	**870**	**5,316**	-	**(30,118)**
Total unrestricted funds	**181,463**	**66,172**	**(64,176)**	**5,472**	**771**	**189,702**
Restricted funds:						
Thurrock Capital Fund	9,221	-	-	-	(271)	8,950
Production Fund	-	3,820	(3,820)	-	-	-
Coronavirus Job Retention Scheme	-	10,636	(10,636)	-	-	-
Open Up Project Fund	-	500	-	-	(500)	-
Arts Council England Bridge programme fund	390	740	(732)	-	-	398
Arts Council England China skills exchange	164	-	-	-	-	164
Special Projects	84	-	-		-	84
Total restricted funds	**9,859**	**15,696**	**(15,188)**	-	**(771)**	**9,596**
Total funds	**191,321**	**81,868**	**(79,364)**	**5,472**	-	**199,298**

28. Share capital

The charity is limited by guarantee and therefore has no share capital. The liability of the members of the charity is limited to £1 each. At 29 August 2021 there were 18 members *(30 August 2020: 15).*

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

29. Connected charities and other related party transactions

Connected charities

Royal Opera House Endowment Fund 2000 - registered charity No 1089928

During the period the charity received grants of £2.4m *(53 week period ended 30 August 2020: £2.3m)* from Royal Opera House Endowment Fund 2000 in furtherance of its charitable objectives. At 29 August 2021, the charity owed £0.2m to the Royal Opera House Endowment Fund 2000 *(30 August 2020: £0.1m owed to the charity).*

The above charity is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Trading subsidiaries

Royal Opera House Enterprises Limited

During the period the charity received a loan repayment of £0.2m *(53 week period ended 30 August 2020: £0.2m),* a royalty payment of £0.5m *(53 week period ended 30 August 2020: £1.5m)* and a gift aid payment of £1.2m *(53 week period ended 30 August 2020: £1.9m)* from Royal Opera House Enterprises Limited. At 29 August 2021, Royal Opera House Enterprises Limited owed £1.3m to the charity *(30 August 2020: £2.0m).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Royal Opera House Developments Limited

During the period the charity received no gift aid payments *(53 week period ended 30 August 2020: £511)* from Royal Opera House Development Limited in furtherance of its charitable objectives. At 29 August 2021, Royal Opera House Developments Limited owed £0.1m to the charity *(30 August 2020: £0.1m).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Royal Opera House Holdings Limited

During the period the charity received £5,000 *(53 week period ended 30 August 2020: £5,000)* from Royal Opera House Development Limited in respect of audit fees. At 29 August 2021, Royal Opera House Holdings Limited owed £5,000 to the charity *(30 August 2020: £5,000).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Other related party transactions

At the Board meeting on 13 October 2020 the Trustees agreed to sell the portrait of Sir David Webster by David Hockney as part of the four point recovery plan. On 22 October 2020 the portrait was sold from the ROH heritage asset collection. Christie's were appointed to sell the painting and ahead of the auction date an independent third party guarantee was secured. The painting sold for £11.275m in a public auction in October 2020. The sale estimate from Christie's was £10-12m and the price realised (hammer price plus buyer's premium net of applicable fees) was £12.865m. In late November 2020, the buyer at auction was publicly announced as the former ROH Chair of Trustees, David Ross.

No other trustee had an interest in any contract or transaction with the charity or its subsidiaries in the period ended 29 August 2021. During the period no trustees received any remuneration from the charity or its subsidiaries and no trustees were reimbursed for personally-incurred expenses which were necessary to carry out trustee duties (2020: nil). The aggregate amount of unrestricted donations received from trustees was £3.040m *(53 week period ended 30 August 2020: £1.982m).* Of this amount, £2.043m *(53 week period ended 30 August 2020: £1.074m)* was received from trustees of the ROH Endowment Fund 2000.The charity undertakes transactions in its normal course of business with its subsidiaries. These transactions are carried out on an arms-length basis.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

30. Commitments

(a) The Group has future minimum commitments under non-cancellable operating leases as follows:

	29-Aug-21 Land and Buildings £'000	30-Aug-20 Land and Buildings £'000
Operating leases payable:		
Not later than one year	**1**	12
Later than one year and not later than five years	**5**	5
Later than five years	**145**	145
	151	162

(b) The group has entered into contracts with guest artists and suppliers in respect of future productions to be staged at the Royal Opera House. Commitments in respect of these contracts which are not reflected in the balance sheet are:

	29-Aug-21 £'000	30-Aug-20 £'000
Less than one year	**5,421**	58
In the second to fifth years inclusive	**870**	3,746
	6,291	3,804

(c) The group has capital commitments for the Fly System project which are not reflected in the balance sheet:

	29-Aug-21 £'000	30-Aug-20 £'000
Less than one year	**925**	2,447
In the second to fifth years inclusive	**-**	-
	925	2,447

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

31. Pension scheme

The Royal Opera House operates a defined benefit pension scheme, the Royal Opera House Pension Scheme. The Scheme's funds are administered by the Trustee and are independent of the ROH's finances. Contributions are paid to the Scheme in accordance with the Schedule of Contributions agreed between the Trustee and the ROH.

The group also contributes to five defined contribution schemes. Two are sponsored by Arts Council England and Equity (for dancers and singers) and one by the Musicians' Union (for musicians). Two further defined contribution scheme arrangements exist for other staff groups. Contributions to these and other schemes amounted to £2.434m *(53 week period ended 30 August 2020: £2.960m).*

The funding plan is for the Scheme to hold assets equal to the value of the benefits earned by employees, based on a set of assumptions used for funding the Scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the Royal Opera House and Trustee agree on deficit contributions to meet this deficit over a period. As a part of the actuarial valuation with an effective date of 5 April 2018 the Trustee and the Royal Opera House have agreed that the Royal Opera House will make contributions to the scheme of £0.85m per annum from 30 April 2018 until 31 January 2037, increasing by 3.5% per annum. As a result of the Covid-19 pandemic, the contributions due in April, July and October 2020 were deferred but have since been repaid. The Royal Opera House also makes contributions of £0.3m per annum to cover the expenses of running the Scheme.

The initial results of the formal actuarial valuation as at 5 April 2021 were updated to the accounting date by an independent qualified actuary in accordance with FRS 102, allowing for contributions, benefit payments made, and changes in market conditions. The results, based on assumptions used for FRS102, are as follows:

The amount included in the balance is as follows:

	29-Aug-21	30-Aug-20
	£'000	£'000
Fair value of plan assets	79,728	71,544
Present value of defined benefit obligation	(109,846)	(107,848)
Net liability recognised in the balance sheet	(30,118)	(36,304)

The movement in net defined benefit liability is as follows:

	52 week period ended 29-Aug-21	53 week period ended 30-Aug-20
	£'000	£'000
Opening net defined benefit liability	**36,304**	28,350
Cost in income and expenditure	**970**	951
Employer contributions	**(1,840)**	(598)
Amount recognised outside income and expenditure	**(5,316)**	7,601
Closing net defined benefit liability	**30,118**	36,304

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

31. Pension scheme (continued)

The amounts recognised in income or expenditure, in the Statement of Financial Activities are as follows:

	52 week period ended 29-Aug-21	53 week period ended 30-Aug-20
	£'000	£'000
Past service cost	60	-
Administration expenses	336	388
Interest expense	574	563
Total expense recognised in income or expenditure	970	951

Movement in present value of defined benefit obligation is as follows:

	52 week period ended 29-Aug-21	53 week period ended 30-Aug-20
	£'000	£'000
Opening defined benefit obligation	(107,848)	(103,146)
Past service cost	(60)	-
Interest on obligation	(1,702)	(2,057)
Actuarial losses	(3,153)	(5,655)
Benefits paid	2,917	3,010
Closing defined benefit obligation	(109,846)	(107,848)

Movement in the fair value of the plan assets is as follows:

	52 week period ended 29-Aug-21	53 week period ended 30-Aug-20
	£'000	£'000
Opening fair value of plan assets	71,544	74,796
Interest on plan assets	1,128	1,494
Actual return less interest on plan assets	8,469	(1,946)
Administration expenses	(336)	(388)
Contributions by the employer	1,840	598
Benefits paid	(2,917)	(3,010)
Closing fair value of plan assets	79,728	71,544

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

31. Pension scheme (continued)

The current allocation of the Scheme's assets is as follows:

	29-Aug-21 Fair value	30-Aug-20 Fair value	25-Aug-19 Fair value
Asset distribution and expected return	**£'000**	£'000	£'000
Equities	**25,700**	20,270	26,251
Bonds	**14,852**	14,281	8,266
Property	**1,745**	1,626	1,730
Diversified Growth Fund	**15,601**	14,413	14,380
Liability Driven Investment Fund	**21,294**	19,990	23,605
Cash and net current assets	**536**	964	564
Total	**79,728**	71,544	74,796

The Scheme does not invest directly in property occupied by the charity or in financial securities issued by the charity.

The following table sets out the significant assumptions used for the plan:

Assumptions	**29-Aug-21**	30-Aug-20	25-Aug-19
Retail Prices Index Inflation	3.30%	2.90%	3.20%
Consumer Prices Index Inflation	2.50%	2.10%	2.10%
Discount rate	1.70%	1.60%	2.00%
Pension increases (according to increases under the scheme rules)	2.5/3.5/3.1/2.1% pa	2.5/3.3/2.8/2.0% pa	2.5/3.5/3.1/2.1% pa
Salary growth	n/a	n/a	n/a
Life expectancy of female / male aged 65 at the accounting date	24.4/21.8 years	24.4/21.8 years	Not known/21.7 years
Life expectancy of female / male aged 65 at 20 years from the accounting date	25.9/23.1 years	25.9/23.2 years	Not known/23.0 years

Future agreed contributions from the employer to be made to fund the deficit of the defined benefit scheme are as follows:

	£'000
Due within one year	903
Due between one year and two years	935
Due between two years and five years	3,005
Due after five years	13,969

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

32. Cash flows

a) Reconciliation of net outgoing resources to net cash inflow from operating activities

	52 Week Period Ended 29-Aug-21	53 Week Period Ended 30-Aug-20
	£'000	£'000
Net income / (expenditure) for the reporting period	6,899	(9,724)
Net cash (income) / expenditure on Defined benefit pension scheme	(870)	353
Investment and finance interest income	(754)	(1,297)
Interest paid	60	62
(Losses) / gains on investments	(4,462)	232
Loss on disposal of fixed assets	341	161
Depreciation charge	8,467	9,402
Amortisation of intangible fixed assets	887	2,093
(Increase) / decrease in productions in preparation	(1,470)	1,712
(Increase) / Decrease in stock	(17)	(119)
Decrease / (increase) in debtors	3,135	(554)
Increase / (decrease) in creditors	593	(5,095)
Net cash provided by operating activities	12,809	(2,774)

b) Cash outflow from investing activities

	52 Week Period Ended 29-Aug-21	53 Week Period Ended 30-Aug-20
	£'000	£'000
Capital expenditure on tangible fixed assets	(2,293)	(9,062)
Capital expenditure on intangible fixed assets	(837)	(1,472)
Additions of investment (at cost)	-	(1,997)
Proceeds from sale of heritage assets	11,275	-
Disposals of investments	3,969	2,330
Finance lease interest and contingent rents received	270	270
Interest income received	484	1,027
(Investment in) / Redemption of Short Term Investments: Deposits	-	12,500
Net cash provided by investing activities	12,868	3,596

c) Cash inflow from financing activities

	52 Week Period Ended 29-Aug-21	53 Week Period Ended 30-Aug-20
	£'000	£'000
Cash inflow on receipt of borrowings	21,700	-
Cash outflow on repayment of borrowings	(102)	(102)
Net cash provided by / (used in) financing activities	21,598	(102)

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

32. Cash flows (continued)

d) Reconciliation of cash at bank and on hand per Charity's balance sheet and cash and cash equivalents per Group's cash flow statement

	Unrestricted	Restricted	Total 29 August 2021
	£'000	£'000	£'000
Cash at bank and in hand per Charity's balance sheet	**63,865**	-	**63,865**
Cash at bank and in hand in group undertakings			
ROH Endowment Fund 2000	4,617	1,945	**6,562**
Royal Opera House Enterprises Limited	277	-	**277**
Royal Opera House Holdings Limited	-	-	**-**
Royal Opera House Developments Limited	-	371	**371**
Cash and cash equivalents per Group's cash flow statement	**68,759**	2,316	**71,075**

	Unrestricted	Restricted	Total 30 August 2020
	£'000	£'000	£'000
Cash at bank and in hand per Charity's balance sheet	**20,440**	-	**20,440**
Cash at bank and in hand in group undertakings			
ROH Endowment Fund 2000	1,768	1,029	**2,797**
Royal Opera House Enterprises Limited	192	-	**192**
Royal Opera House Holdings Limited	-	-	**-**
Royal Opera House Developments Limited	-	371	**371**
Cash and cash equivalents per Group's cash flow statement	**22,400**	1,400	**23,800**

e) Reconciliation of net debt

	At 30 August 2020	Cash flows	At 29 August 2021
	£'000	£'000	£'000
Cash	23,800	10,000	33,800
Cash equivalents	-	37,275	37,275
	23,800	47,275	71,075
Loans falling due within one year	(102)	102	(102)
Loans falling due after more than one year	(1,948)	(21,701)	(23,547)
Total net debt	**21,750**	**25,676**	**47,426**

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

33. Financial Instruments

Carrying amount, income, expense, gains and losses of the Group's Financial Instruments

Group	Carrying Amount Group 29 August 2021 £'000	Income earned Interest income/ (expense) £'000	Dividend income/ (expense) £'000	Net gains/ (losses) including changes in fair value £'000	Carrying Amount Group 30 August 2020 £'000	Income earned Interest income/ (expense) £'000	Dividend income/ (expense) £'000	Net gains/ (losses) including changes in fair value £'000
Measured at fair value through Statement of Financial Activities								
Financial Assets	**39,075**	**-**	**442**	**4,460**	**38,584**	**-**	**863**	**(232)**
Investments	39,075	-	442	4,460	38,584	-	863	(232)
Measured at undiscounted cash receivable/(payable)								
Financial Assets	**79,783**	**42**	**-**	**-**	**31,279**	**164**	**-**	**-**
Trade debtors	5,926	-	-	-	4,199	-	-	-
Accrued income & Other Debtors	2,782	-	-	-	3,280	-	-	-
Cash and cash equivalents	61,075	-	-	-	23,800	-	-	-
Short term investments: Deposits	10,000	42	-	-	-	164	-	-
Financial Liabilities	**(5,238)**	**-**	**-**	**-**	**(2,833)**	**-**	**-**	**-**
Trade creditors	(5,238)	-	-	-	(2,833)	-	-	-
Measured at amortised cost								
Financial Liabilities	**(23,023)**	**(60)**	**-**	**-**	**(1,365)**	**(62)**	**-**	**-**
Government loan	(21,700)	-	-	-	-	-	-	-
Mortgage loan	(1,323)	(60)	-	-	(1,365)	(62)	-	-

Financial assets carried at fair value (Investments) are measured at the quoted market price in an actively traded market. All investments are managed by reputable investment managers. Of the carrying amount at 29 August 2021 of £39.1m *(30 August 2020: £38.6m)*, £18.4m *(30 August 2020: £18.0m)* is invested in markets outside of the UK. The changes to the fair value of those investments are all as a result of market risk (including foreign exchange risk). Immaterial amounts are due to credit risk. An immaterial liquidity risk exists due to the remote risk of not being able to repatriate funds.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

33. Financial Instruments (continued)

Carrying amount, income, expense, gains and losses of the Charity's Financial Instruments

Charity	Carrying Amount Charity 29 August 2021 £'000	Income earned Interest income/ (expense) £'000	Dividend income/ (expense) £'000	Net gains/ (losses) including changes in fair value £'000	Carrying Amount Charity 30 August 2020 £'000	Income earned Interest income/ (expense) £'000	Dividend income/ (expense) £'000	Net gains/ (losses) including changes in fair value £'000
Measured at undiscounted cash receivable/(payable)								
Financial Assets	**73,043**	**59**	**-**	**-**	**29,032**	**193**	**-**	**-**
Trade debtors	5,469	-	-	-	3,474	-	-	-
Amounts due from subsidiary and associated undertakings	1,012	9	-	-	2,074	7	-	-
Accrued income & Other Debtors	2,697	-	-	-	3,044	-	-	-
Cash and cash equivalents	53,865	-	-	-	20,440	-	-	-
Short term investments: Deposits	10,000	50	-	-	-	186	-	-
Financial Liabilities	**(5,182)**	**-**	**-**	**-**	**(2,807)**	**-**	**-**	**-**
Trade creditors	(5,182)	-	-	-	(2,807)	-	-	-
Measured at amortised cost								
Financial Assets	**400**	**28**	**-**	**-**	**600**	**28**	**-**	**-**
Amounts due from subsidiary undertaking	400	28	-	-	600	28	-	-
Financial Liabilities	**(23,023)**	**(60)**	**-**	**-**	**(1,365)**	**(62)**	**-**	**-**
Government loan	(21,700)	-	-	-	-	-	-	-
Mortgage loan	(1,323)	(60)	-	-	(1,365)	(62)	-	-

The financial asset measured at amortised cost above represents an inter-company loan between Royal Opera House Enterprises Limited (as borrower) and its holding company, Royal Opera House Covent Garden Foundation (Limited by Guarantee), entered into in January 2010. The unsecured loan bears interest at 2% above the Bank of England base rate, which management assess to be a commercial rate of interest. Due to the commercial rate of interest, the present value of the future cash flows approximates the carrying amount and thus the loan presents no current pricing risk. As the interest rate is a variable rate, the lender and borrower are exposed to interest rate risk.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

34. Consolidated statement of financial activities *for the 53 week period ended 30 August 2020*

	Note	Total Unrestricted Funds	Restricted Funds	Endowment Funds	53 week period ended 30-Aug-20 Total Funds
		£'000	£'000	£'000	£'000
Income and endowments from:					
Charitable activities					
Operation of Royal Opera House (including box office)	3	37,766	-	-	37,766
Government Grant	5	-	12,416	-	12,416
Donations and legacies					
Donations, legacies and similar incoming resources	6	23,576	5,347	167	29,090
Grants from Arts Council England	4	24,213	732	-	24,945
Other trading activities					
Commercial trading income	7	12,502	-	-	12,502
Investments	8	834	463	-	1,297
Total income and endowments		98,891	18,958	167	118,016
Expenditure on:					
Charitable activities					
Productions, sales and operations	9	(91,186)	(17,545)	-	(108,731)
Raising Funds					
Generating voluntary income	11	(4,152)	(355)	-	(4,507)
Commercial activities	12	(8,183)	(210)	-	(8,393)
Restructuring	15	(5,816)	-	-	(5,816)
Interest payable	16,25	(62)	-	-	(62)
Total expenditure	14	(109,399)	(18,110)	-	(127,509)
Profit on disposal of operations	17	-	-	-	-
Net (loss) / gains on investments	19	-	156	(387)	(231)
Net (expenditure) / income		(10,508)	1,004	(220)	(9,724)
Transfers between funds	17	1,987	(1,987)	-	-
Other recognised gains and (losses)					
(Loss) / Gains on revaluation of heritage assets	19,23	(3,739)	-	-	(3,739)
Actuarial (loss) / gain on the defined benefit pension scheme	31	(7,601)	-	-	(7,601)
Net movement in funds		(19,861)	(983)	(220)	(21,064)
Fund balances brought forward at 25 August 2019	27	195,398	14,073	43,647	253,118
Fund balances carried forward at 30 August 2020	27	175,537	13,090	43,427	232,054

35. Taxation

UK corporation tax charge and relief of £226,770 has arisen in Royal Opera House Enterprises Limited in the period in respect of current year profits *(53 week period ended 30 August 2020: tax charge and relief of £367,408)*. No deferred tax has arisen in the period *(53 week period ended 30 August 2020: nil)*.

36. Post Balance Sheet Event

In November 2021 the Trustees of the Royal Opera House Endowment Fund 2000 approved the payment of an exceptional grant of £3,774,000 to be paid from the Royal Opera House Endowment Fund 200 to the Royal Opera House Covent Garden Foundation 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.

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

THANK YOU

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

The Royal Opera House gratefully acknowledges the generosity of all those who have provided support this period, including:

INDIVIDUALS

Spindrift Al Swaidi
Mr and Mrs Alaghband
Lady Alexander of Weedon
Mr and Mrs Edward Atkin CBE
Ben Babcock and Debbie De Girolamo
Richard and Delia Baker
Mikhail Bakhtiarov
Torunn and David Banks
Mercedes T. Bass
Geoff and Judith Batchelar
Sir Mick and Lady Barbara Davis
Mrs Arlene Beare
Jeffrey and Veronica Berman
Mr J Michael Berman
Janice and David Blackburn
Michael Blank and Jakob Schroeder
Mr & Mrs Anthony Bolton
Ingemo and Karl Otto Bonnier
Sally and Simon Borrows
Lady Rosemary Buchanan
The Bunting Family
Mr Paul Burbidge
Susan Burns, OBE and John Burns
Sue Butcher
Mrs Carolyn Calcutt
Mara Moreno & Rafael Calvo
David Campain
The Earl and Countess of Chichester
Ricki Gail and Robert Conway
Kirsty Cooper
Liz Cratchley OBE
Anne-Marie Craven
The Donald Crawshaw and Matthew Hoffman Charitable Fund
Michael and Angela Cronk
Hadyn and Joanna Cunningham
Peggy Czyzak Dannenbaum
Christian and Béatrice Schlumberger
Dr Genevieve and Mr Peter Davies
Sir Mick and Lady Barbara Davis
Terry and Jean de Gunzburg
Lady Deighton
Sir Lloyd and Lady Dorfman
Lily Safra
Mr and Mrs Jeffrey Eldredge
Ailsa and Jonathan Feroze
Graham S Fletcher
Louise Fluker
Mrs Aline Foriel-Destezet
Hamish and Sophie Forsyth
David and Sarah Fransen
Francesca Fremantle
Gonzalo and Maria Garcia
Will and Beth Gardiner
Sherry and Michael Guthrie
Sandra and Anthony Gutman
Gareth Hadley
Pauline and Peter Halliday
Angela Hamilton
Richard Hayden
Mrs Charlotte Heber-Percy

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Katrin and Christoph Henkel
Marlies Hensel
Malcolm Herring
Lady Heywood
Mr Rod Hill
Marina Hobson OBE and The Hobson Charity
Simon and Tracey Holden
Christopher Holder
Charles Holloway
Martin and Jane Houston
Lady Joan Jarvis CBE
Aud Jebsen
Mr and Mrs Christopher W.T. Johnston
Joanna and Duncan Johnston
Mrs Philip Kan
Anna and Moshe Kantor
Ralph and Yolande Kanza
Ivan Katzen
Kenneth and Susan Green
Lady Keswick
Dame Zarine Kharas, DBE
Doug and Ceri King
Tessa and Charles King-Farlow
Mr and Mrs Aboudi Kosta
Lord and Lady Laidlaw
Rena and Sandro Lavery
Peter N Lawrence
Alan G. Levin
Ida Levine
Dr and Mrs Peter James Linden - Faith Golding Foundation
Yuanbo Liu
Peter Lloyd
Margarita Louis-Dreyfus and Phillipp Hildebrand
Beth Madison
Bob and Tamar Manoukian
The Margulies Family
Crevan O'Grady & Jane McClenahan
John McGinn and Cary Davis
Alan McLean
Mrs Andrea Medeiros Castro
Isabelle and Adrian Mee
The Metherell family
Bertrand and Elisabeth Meunier
Odile and Marc Mourre
Dr Patrick Mueller
The Mark Nickerson Charitable Settlement
Mrs Susan A. Olde OBE
Mr Stefan Sten Olsson and Mr John Tierney
Sir Antonio and Lady Pappano
Hamish Parker
Marian and Gordon Pell
Hélène and Jean Peters
Nicholas and Suzanne Peters
The Phillips Fund
Professor Paul Cartledge and Judith Portrait OBE
Basil and Maria Postan
Melinda and Donald Quintin
Paul Raphael
Julia and Hans Rausing
Yvonne and Bjarne Rieber
Ramzi Rishani
Sir Simon and Lady Robertson
Sir Simon and Lady Robey

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Victoria Robey, OBE
Mrs Bonnie Robinson
Kristina Rogge
Ms Viviana Ronco
Bryan and Sirkka Sanderson
Julian and Victoria Schild
John and Tita Shakeshaft
Louise Sheaves
Penelope Sheehan
Susan and John Singer
John and Mariavittoria Slamecka
Lady Slynn of Hadley
Christopher and Sarah Smith
Michael Smith
Mary Stassinopoulos
Rachael Stearns
Stuart and Jill Steele
Dr and Mrs Timothy Stone CBE
Marcus Swanepoel and Frieda Mennen
Jennifer Taylor
Fiona and Simon Thomas
Malcolm and Alison Thwaites
Lindsay and Sarah Tomlinson
Eric Tomsett
Professor Michael Trimble
John G. Turner & Jerry G. Fischer
Stephanie Tyrer
Jane Van Ammel
Elsbeth and Rijnhard van Tets
Nina and George Veltchev
Adrienne Waterfield
Derek and Sheila Watson
Nick and Juliet Wilkinson
Peter Harrison and Fiona Willis
Danny and Lillan Wyler

Anonymous (13)

TRUSTS AND FOUNDATIONS

The John Beckwith Charitable Trust
The Regatta Foundation
The John Browne Charitable Trust
Cockayne
Dunard Fund
The Goldhammer Foundation
The John Lyon's Charity
The Kirsh Foundation
The London Community Foundation
MariaMarina Foundation and Christopher Holder
The Marina Kleinwort Trust
The Mikheev Charitable Trust
The Mohn Westlake Foundation
Oak Foundation
Orinoco Foundation
The Gerald and Gail Ronson Family Foundation
Rothschild Foundation
The Sargent Charitable Trust
The Taylor Family Foundation
GRoW @ Annenberg Foundation
The Candide Trust
The Clore Duffield Foundation
The David and Elaine Potter Foundation

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

The Deborah Loeb Brice Foundation
The Foyle Foundation
Garfield Weston Foundation
The Gatsby Charitable Foundation
The Headley Trust
The Helen Hamlyn Trust
The Huo Family Foundation
The JP Jacobs Charitable Trust
The Linbury Trust
The Lord Leonard And Lady Estelle Wolfson Foundation
The Constance Travis Charitable Trust

CORPORATE

Bank of America
Boodles
BP
Capco Covent Garden
Coutts & Co
Dior
Financial Planning Partners Ltd
Halpern
LGT Vestra LLP
OANDA Europe Limited
Rolex
Van Cleef & Arpels

SEASON PATRONS

Canary Wharf Group PLC
Mrs Aline Foriel-Destezet
Lady Gavron
Alfiya and Timur Kuanyshev
Jamie McAlpine
Mitsui & Co Europe PLC
Mrs Susan A. Olde OBE
Tim and Theresa Parker
Rolex
Rothschild & Co
Mrs Lily Safra
Mr Pierre-Alain Wavre
Sir Brian Williamson CBE and Mrs Caroline Hoare
Lord and Lady Young of Graffham

FIRST NIGHT PATRONS

DMGT PLC
Dr Genevieve and Mr Peter Davies
Sir Mick and Lady Barbara Davis
The Dow Family
Charles Holloway
Dame Theresa Sackler

SUPPORTING ORGANISATIONS

AMERICAN FRIENDS OF COVENT GARDEN BOARD

Mercedes T. Bass, *Chairman*
Alex Beard CBE
Susan S. Braddock, *Treasurer*
G. Scott Clemons
Peggy Czyzak Dannenbaum

DocuSign Envelope ID: A1295D5B-3427-439A-94D7-8089E4B64797

Misook Doolittle
Lord Eatwell
HRH Princess Firyal of Jordan
Beth W. Glynn
Richard Karl Goeltz
Joan Granlund
Lady Heywood
Frederick Iseman
Bruce Kovner
Alan G. Levin
Beth Madison
John P. McGinn
Mrs Susan A. Olde OBE
Nancy Peck Green
John G. Turner, *Legal Counsel*
David A Shelvin, *Legal Counsel*
Elizabeth Gray Kogen, *Secretary and Executive Director*

ROYAL OPERA HOUSE COVENT GARDEN FOUNDATION

England & Wales - Charity number 211775

Accounts

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204



ROYAL
OPERA
HOUSE

THE ANNUAL

REPORT

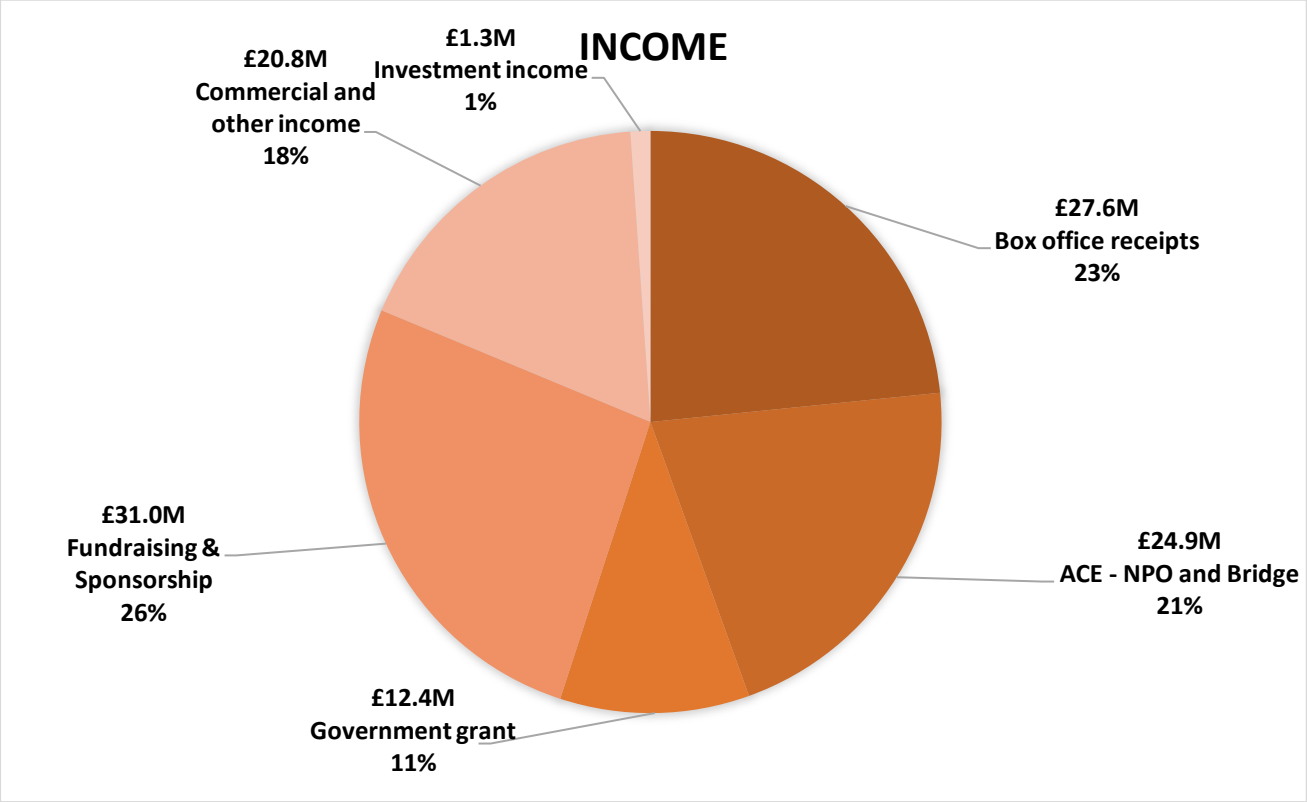
2019/20

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

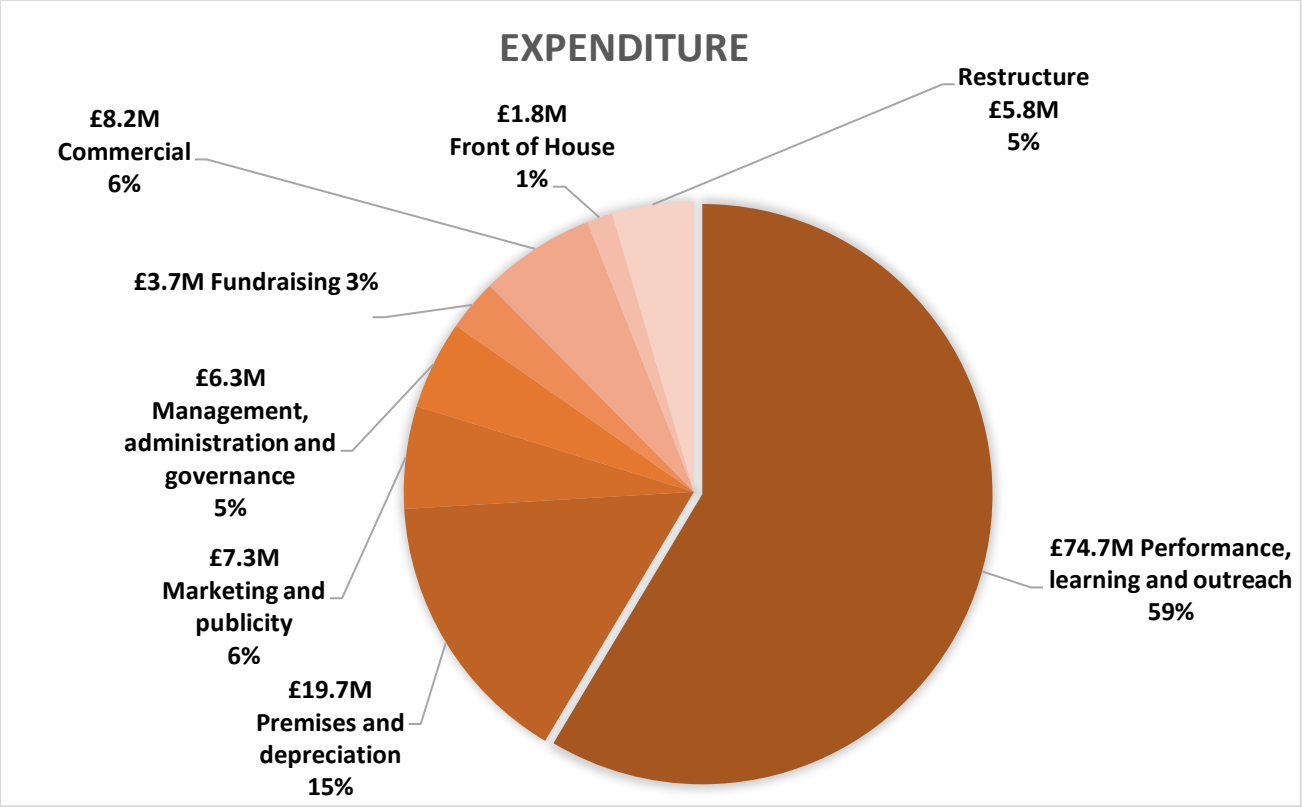


DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

INCOME 2020



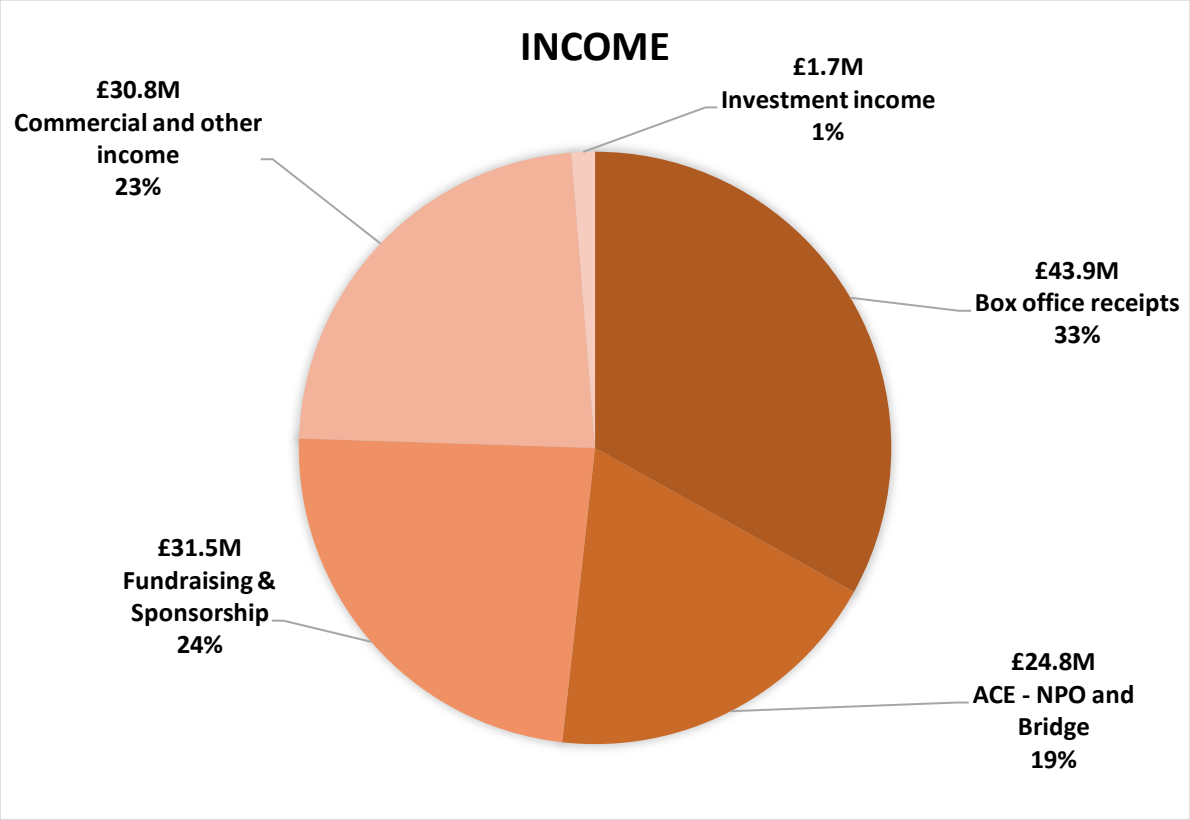
EXPENDITURE 2020



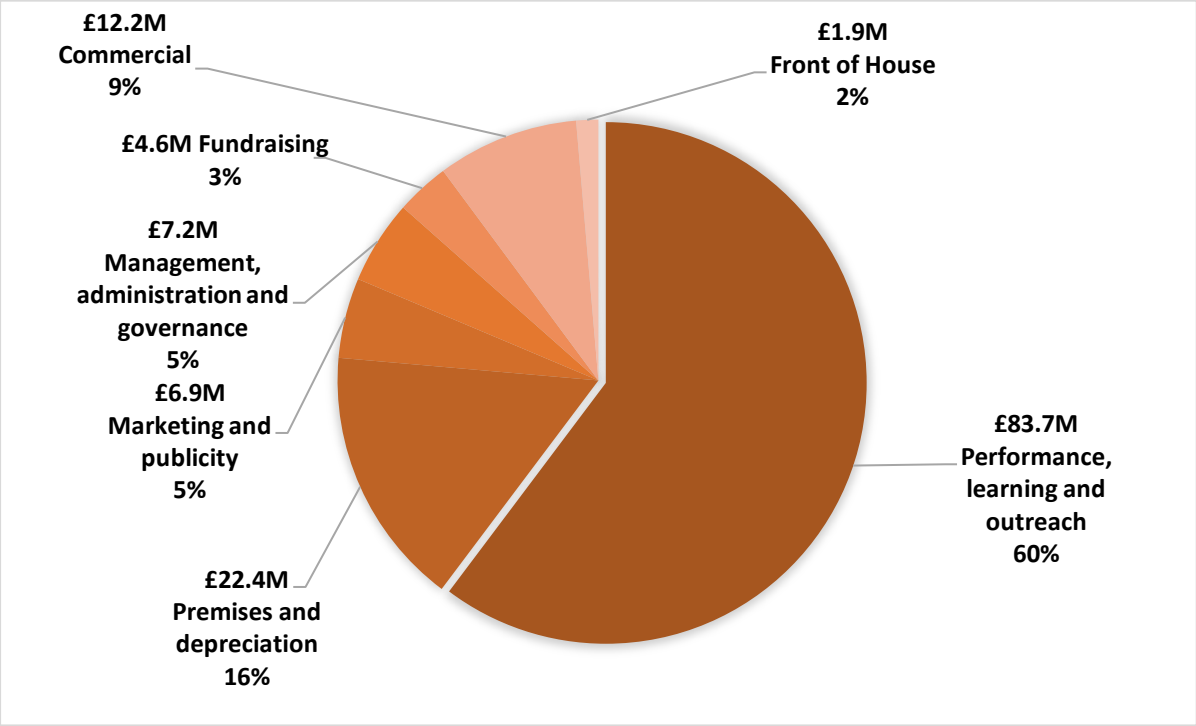
Total income £118.1m, including capital donations and funding of £0.5m. Total expenditure £127.6m, excluding capital expenditure. Figures exclude gains on investment, taxation and fund transfers.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

INCOME 2019



EXPENDITURE 2019



Total income £132.7m, including capital donations and funding of £1.0m. Total expenditure £138.9m, excluding capital expenditure. Figures exclude gains on investment, profit on disposal of operations, taxation and fund transfers.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

TIMESCALE FOR THIS REPORT

The Trustees are pleased to present their report together with the audited financial statements of the Royal Opera House Covent Garden Foundation for the 53 week period ended 30 August 2020.

The comparative period is the 52 week period ended 25 August 2019.

This document will be filed with the Charity Commission and the Registrar of Companies.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

SIR SIMON ROBEY *Chair*

Welcome to the Royal Opera House Covent Garden Foundation (Limited by Guarantee) 2019/20 Annual Report.

It is a great pleasure to introduce the 2019/20 annual report as Chair of the Royal Opera House, and a privilege once more to play a part in this extraordinary organisation at such a defining moment in its history.

I would like to thank David Ross for leading the Royal Opera House Board through the challenges of the last year, helping to steer the Royal Opera House through the worst of the COVID-19 crisis. We wish him well as he focuses on his commitments and Board positions elsewhere.

Joining the Board of Trustees in September 2020 were Indhu Rubasingham, bringing with her a wealth of experience as Artistic Director of Kiln Theatre; and Lord Browne, Chair of the Francis Crick Institute and the Courtauld Institute of Art, with decades of experience in business and major public institutions.

As we emerge from the pandemic, I would like to thank everyone who has supported the Royal Opera House throughout this period of repeated closure, disruption and changing restrictions, and who continue to support us as we prepare to welcome back audiences, at scale, to our beautiful Covent Garden theatres in the weeks and months ahead.

The 2019/20 Season was undoubtedly a tale of two halves. In the first half, we presented a raft of new work, bringing together the world's finest ballet and opera talent on both of our stages in the first full season since the completion of the award-winning Open Up project. In the second half of the Season, we connected with our audiences in innovative new ways, moving to a curated programme of streamed productions, live concerts and online home learning opportunities that saw us reach more people than at any time in our history.

We simply would not have survived the year without the significant and vital support from Arts Council England and DCMS through the Culture Recovery Fund, and indeed the essential support from the Coronavirus Job Retention Scheme, and so all our thanks go to the Government for this lifeline, which helped address some of the immediate financial damage caused by this crisis, easing our route to re-opening and paving the way for the world's greatest artists to once more return to our stages.

As attention now turns to a future post-COVID, we will draw on the ingenuity and innovation of this eventful year, maintain the Royal Opera House's position at the heart of British cultural life, and ensure that culture and the arts are front-and-centre of the national recovery.

I would like to thank all those who continue to support our creative community as we get closer to re-opening our doors once again: for their generosity, for their constant encouragement and for their commitment to ensuring the widest possible access to exceptional ballet and opera. I would also like to recognise the passion, dedication and constant striving for the highest standards of the Royal Opera House's staff, and the resilience of every team across the organisation who adapted so brilliantly to ever changing circumstances throughout the 2019/20 Season.

Sir Simon Robey
25th May 2021

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

ALEX BEARD *Chief Executive*

As I write we are preparing for our first full Season since the onset of the pandemic in March 2020, excited once again to bring life to our stages and the joy of live performance back to our audiences. However, the year under review was the most challenging of times, as our community of staff and artists coped with financial and personal stress of cancelled performances, adapting to changing government restrictions and new working protocols, alongside working from home remotely while caring for loved ones in the context of the profound upheaval and uncertainty caused by the pandemic.

None of that was foreseen in the first six months of the 2019/20 Season, characterised by a breadth of exciting new work and repertory favourites across both of our stages, including a host of co-productions and partnerships with artistic companies from around the world. Delighting audiences at the Royal Opera House since 1946, The Royal Ballet's *The Sleeping Beauty* returned to the Main Stage, as did John Cranko's *Onegin* in a celebration of the heritage of the Company. Multi award-winning choreographer Cathy Marston brought us the world premiere of *The Cellist,* in a double programme alongside Jerome Robbins' *Dances at a Gathering*, and The Royal Ballet's magnificent production of *Swan Lake* returned for the first time since its debut in 2018 in a spectacular showcase of the artistry and athleticism of the Company. The recent desperately sad and untimely death of Liam Scarlett, who staged that production, represented a great loss of a major choreographic talent.

The Royal Opera strengthened its commitment to Handel, with Barrie Kosky's rapturously received new production of *Agrippina,* starring Joyce DiDonato in the title role. The Company performed *Faust* and *Otello* to packed houses in Japan, and David McVicar's new production saw Britten's *Death In Venice* return to Covent Garden for the first time since 1992. Gerald Barry' riotous *Alice's Adventures Underground* delighted family audiences and contemporary opera lovers alike, and we were thrilled to welcome Lise Davidson and Jonas Kaufman back to Covent Garden in a glorious run of Beethoven's *Fidelio.*

In the Linbury Theatre, The Royal Ballet celebrated Merce Cunningham's Centenary with performances of *Cross Currents;* Frederick Ashton's *Monotones II,* and a world premiere from Pam Tanowitz, *Everyone Keeps Me.* We welcomed a host of visiting companies, including Dance Umbrella, Acosta Danza, Northern Ballet and Rambert for a wealth of new work. The Royal Opera joined forces with Music Theatre Wales for only the second staged production of Gerald Barry's *The Intelligence Park,* and Katie Mitchell's *Zauberland with* Susan Bullock in her Royal Opera House debut. The Company's collaboration with Candoco Dance Company in *The Lost Thing,* with its exceptional cast of disabled and non-disabled singers, dancers and musicians, enthralled family audiences over Christmas.

All this abruptly stopped when, alongside every theatre in the land, we were forced to close our doors cancelling the Monday night performance of *La Traviata* on 16 March 2020, our sold-out performances of *Swan Lake* mid-run, that week's global cinema relay of *Fidelio* and the keenly anticipated first night of our new production of Leos Janacek's *Jenufa*. Audiences were not to return for six months, and then only intermittently and only in severely reduced, socially distanced numbers.

We rely heavily on box office income, and with performances cancelled £3 in every £5 of our income immediately disappeared. Only our Arts Council grant was guaranteed, representing less than 20% of costs and far less than our fixed costs. We are the largest employer of artists in the UK, and we must equally invest in the care of our Grade 1 listed theatre in Covent Garden, production workshops and facilities in Thurrock and Aberdare.

We strived hard to sustain the team and organisation through the resulting financial crisis, with a four-legged plan for recovery: a programme of restructuring, reducing our costs wherever possible; an extensive fundraising campaign, drawing on the huge generosity of our Friends, Patrons and supporters; vital support from Government through the Culture Recovery Fund and Coronavirus Job Retention Scheme; and realising such value as we could from our assets, notably through the sale of a David Hockney portrait of Sir David Webster, the first General Director of the Royal Opera House.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Working extremely hard with our three recognised trade unions, in July 2020 we started to negotiate a far-reaching restructuring plan. This led ultimately to many sad farewells for close friends and colleagues, changed working patterns and structures, and included pay sacrifices led from the top. More than 80% of our staff were placed on the Government's Job Retention Scheme, a financial lifeline for the organisation. We protected the pay for our most junior staff, provided support through counselling and welfare services, and held regular and frequent briefings, social events and communication sessions with all. This was a hugely difficult year for our people, but whether furloughed or continuing to work, team spirit stayed strong with scrubs-making for the NHS, joining volunteer programmes and supporting each other through the pandemic.

As soon as our doors closed to audiences, we began the #OurHouseToYourHouse Friday Premiere series of free, weekly broadcasts from our archive, starting with The Royal Ballet's Peter and the Wolf (2010) which achieved more than 9 million views in 183 countries across the world over the remaining months of the Season. We launched a new partnership with Luna Drive-In cinemas, presenting La boheme, Swan Lake and La traviata to audiences in iconic and historic outdoor venues around the UK. Together with Antonio Pappano's weekly House Music broadcasts; a suite of broadcasts in partnership with the BBC, Sky Arts and Netflix; home learning opportunities through our Design and Make programme, we were delighted to connect more people than ever before with our artforms. The Royal Ballet's partnership with Doncaster Council and Cast in Doncaster Dances saw local residents, primary schools, sports clubs, care homes and dance schools take part in a three-week community digital project to create original dance pieces on the themes of lockdown and social distancing, drawing on Prokofiev's Romeo & Juliet. Social media engagement grew across all channels, including now TikTok, with more than 330,000 subscribers within three months after launch. Our YouTube channel remains the most subscribed-to of any arts institution in the world.

We presented our first live performances since the start of the lockdown in June with three special *Live from Covent Garden* concerts. Curated and hosted by Antonio Pappano, these concerts celebrated the best of ballet and opera, and were broadcast live to a global audience via Facebook and YouTube. Featuring highlights from Benjamin Britten and George Friedric Handel; as well as excerpts from Rossini's *L'Italiana in Algeri*, Donizetti's *L'elisir d'amore*, and Gershwin's *Porgy and Bess,* sung by the Jette Parker Young Artists*;* as well as an intimate world premiere from Resident Choreographer of The Royal Ballet, Wayne McGregor, the concerts were a showcase of the talents of both companies. Principle dancers and first soloists from the ballet company also performed pas de deux segments from Christopher Wheeldon's *Within the Golden Hour,* Kenneth MacMillan's *Concerto* and Frederick Ashton's *Dance of the Blessed Spirits* among several other highlights.

The death of George Floyd and the Black Lives Matters protests in May and June 2020 were a stark reminder of the racism that continues to pervade society, institutions and our industry. This was a profound moment of reflection for us on the inadequacies of the past and the urgency of effecting long-term change, addressing conscious and unconscious racism and bias, seeking to embed the values of diversity and inclusion at the heart of everything we do. Alongside the pandemic this also brought to the fore the divide between rich and poor, racial injustice, educational poverty and the challenges of mental health. We look ahead with renewed focus on ROH's civic role, contributing to a more equal society in which anyone has the opportunity to develop their creativity, sense of self and realise their potential through ballet and opera.

Above all and without doubt it is our extraordinarily committed community of staff and artists that make the Royal Opera House such a remarkable institution, and my deepest thanks go to all my colleagues for their inspiration, dedication and professionalism. Profound gratitude also to our extended family of friends, patrons, philanthropists and audiences, without whom the Royal Opera House could not have survived and whose continuing support will enable us once more to bring exceptional ballet and opera to audiences in our theatres, in cinemas and streamed across the World.

Alex Beard, Chief Executive
25th May 2021

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

WHO WE ARE AND WHAT WE DO

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Who we are and what we do

Our mission

The Royal Opera House's mission is to enable many more people, from all backgrounds and wherever they live, to enjoy and engage in exceptional ballet and opera.

Our vision

The Royal Opera House aspires to be a global centre of excellence for the great art we produce and for the inclusive way we do it. That means telling stories that people want to hear, in ways they want to hear them and performed by people who look like them, reflecting the diverse make-up of the country.

How we achieve our mission and vision

We are home to three of the world's greatest performing art companies, the Royal Ballet, Royal Opera and the Orchestra of the Royal Opera House. We bring together the world's most extraordinary artists in live, streamed and broadcast events and performances that thrill, move and excite; that transport people to other worlds. Our theatres are in London's Covent Garden but our work is accessed and experienced across the UK and globally through touring partnerships, cinema programmes, free outdoor screenings, radio, TV and live-streaming.

Challenges

The period since the lockdown has inevitably had an enormous impact on our ability to realise our mission and vision – like the rest of the sector, our doors have been closed since March 2020. This has been the biggest challenge the Royal Opera House has ever had to face, severely impacting the charity's creative output, staffing model and finances. This report discusses the ways in which we strived to uphold our priorities and values throughout and to continue to serve our audiences and to ensure we can get back to a sustainable position as quickly as possible.

The coming pages expand on what was delivered against this plan during 2019/20 and, although outside the time scope for this report, we set out briefly how addressed the challenges in 2020/21 and how we are planning to recover from 2021/22 onwards.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

ACHIEVEMENTS

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Our 2019/20 priorities

At the start of the year, the Board and Executive team reviewed and updated the organisational plan.

However, from March onwards managing the impact of the pandemic became the Board's principal focus. More regular Board meetings were held, a financing sub-group established and a four-point Recovery Plan conceived to stabilise our finances and to sustain the organisation through what was undoubtedly the most serious crisis faced in modern times. The Recovery Plan included:

- Adjusting the operating model:
    - restructuring across all departments, resulting in a 20% headcount reduction by 2021
    - changes to contracts, including simplified terms and conditions, adjustments to hours and incorporation of media agreements
    - more agile, flexible working practices and structures
    - reduction in all salaries over £75k
- Disposal of assets: the sale of the portrait by David Hockney
- Fundraising
    - all donors have been asked to relax restrictions on committed gifts and to consider additional support
    - we have also encouraged donations around streamed performances, and greatly increased messaging around the need for support
    - Aiming to de-restrict some of our endowment funds
    - Launching a £65m recovery fundraising campaign
- Government support, through the Coronavirus Job Retention Scheme and then after the year end through a loan from the Culture Recovery Fund

Alongside this Recovery Plan we increased the frequency and range of streaming activities to maintain relationships with supporters, and to maximise audience reach.

Our wider organisation priorities over the year are summarised below.

<u>Artistic Excellence</u>

We consistently reflect today's best people and ideas, appealing to the broadest possible audience. This includes:

- **A balanced programming** - plan and deliver an exciting programme across auditoria, public spaces, cinema and digital platforms: that is true to our artistic identity, connects to diverse audiences, is affordable and can be delivered safely
- **Championing talent** - sustain and improve the conditions that attract the world's great artists and support them to make their best, most innovative work
- **New and under-represented artists** - work with partners to break down barriers

Outcomes: maintain audience satisfaction; increased diversity of creatives and performers, and diversity of audiences; income, net of costs, from performances

<u>Opening Up</u>

We open up all aspects of the ROH so we touch more people's lives and create a deeper sense of belonging. This includes:

- **Inclusive workforce** - review recruitment and ways of working so we attract a workforce more representative of society and support all staff to thrive
- **National participation** - support teachers to bring ballet, opera and theatrecraft into classrooms nationwide and connect with under-served communities

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

- **Strengthening the sector** - share innovative practice and resources to help ballet, opera and the arts to thrive across the UK
- **Audience development** - welcome new people to our building and use data to understand and develop audiences in our theatres and in cinemas

Outcomes: consistent growth in daytime visitors in Covent Garden, UK cinema attendance, schools' participation; increasing workforce diversity

Revenue Growth

We increase overall income through compelling story-telling, ambitious partnerships and joined-up sales. This includes:

- **Customer spend** - work collaboratively to sustain strong box office, grow cinema sales, and maximise catering and retail income
- **Philanthropy and partnerships** - build awareness of our charitable purpose, impact and brand so that people and organisations want to contribute more
- **Capital campaign** - create and deliver a campaign to help fund the renewal of our buildings, stage and equipment
- **Endowment** - promote legacy giving so we can double the ROH Endowment and increase the income it will generate for future activity

Outcomes: optimised theatre and increased cinema ticket revenue; increased catering and retail income; sustained fundraising revenue; increased Endowment size

Organisational Health

We are a dynamic and sustainable organisation and a great place to work. This includes

- **Productivity** - save money, including through changes to working practices, new planning tools and improved IT
- **Valuing people** - embed health and safety, improve staff experience and ensure management responsibilities are clear
- **Stages, buildings and equipment** - invest in making the ROH a safe, productive workplace, that can be managed more affordably, with reduced environmental impact
- **Environmental sustainability** – implement a plan to significantly reduce our carbon footprint

Outcomes: reduced fixed costs; a safe working environment; satisfaction and work/life balance; decreased carbon footprint

Plans and targets were developed to reflect these priorities, aligned to upholding the charity's core values: treat each other with **respect**, be **open** and value the **highest standards**.

Below, we set out more details about how we did against each of these priorities.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Our performance against our priorities

Below is a summary of how we have performed, in the face of the challenges posed by the pandemic.

ARTISTIC EXCELLENCE

Balanced programming

Plan and deliver an exciting programme across auditoria, public spaces, cinema and digital platforms: that is true to our artistic identity, connects to diverse audiences, is affordable and can be delivered safely

The Royal Opera House presents the world's most accomplished ballet and opera artists in productions of extraordinary quality and scale. Of 444 performances planned for the year, 281 performances took place between September and March. Audience appetite remained strong, with 389,760 tickets sold, 94% occupancy and 82% of available financial capacity achieved.

The first part of The Royal Ballet Season was a tribute to the richness of the Company's heritage: one of Kenneth MacMillan's most enduring ballets *Manon,* followed by a mixed programme of Royal Ballet classics, the perennially popular *The Sleeping Beauty* and *Swan Lake,* and Coppelia's warmly received revival, all demonstrating the exceptionally high calibre of the dancers across the Company. Cathy Marston's critically acclaimed The Cellist explored the story of Jacqueline du Pré, whose career was tragically cut short by Muscular Sclerosis in her twenties. The ballet was enriched by Philip Feeney's score, prominently featuring a cellist from the Orchestra of the ROH, Hetty Snell. A creative residency with the MS Society accompanied the production. Wayne McGregor's The Dante Project was in development, following the premiere of Thomas Adés's score and the first Act Inferno in LA the previous summer, but will now open during the 2021/22 Season. In the Linbury Theatre, the Company celebrated the centenary of Merce Cunningham with a successful run of performances including Cunningham's Cross Currents, subsequently performed in Paris; Frederick Ashton's Monotones II and a critically -acclaimed world premiere by Pam Tanowitz, Everyone Keeps Me. Also celebrating Cunningham's anniversary was a co-presentation with Dance Umbrella of work by Amala Dianor, and CNN – Ballet de Lorraine.

The Royal Opera began the Season in Japan, with performances of *Faust* and *Otello*. The first new production of the year, *Agrippina* - one of a series of productions reconnecting us to the heritage of Handel in Covent Garden - saw the return of director Barrie Kosky and extraordinary performances from Joyce DiDonato, Franco Fagioli, Lucy Crowe and Iestyn Davies. David McVicar created a rich and sensitive staging of *Death in Venice*, while Antony McDonald matched the riotous fun of Gerald Barry's *Alice's Adventures Underground* in a run of one-hour early- and later-evening performances for families and new music enthusiasts alike. As the ROH closed, we were completing runs of Tobias Kratzer's *Fidelio*, with Antonio Pappano conducting Jonas Kaufmann and Lise Davidsen and, in the Linbury Theatre, Isabelle Kettle's strong new interpretation of Handel's *Susanna* featuring artists from the Jette Parker Young Artists Programme. We sadly had to cancel the premiere of Matt Rogers's *She Described It To Death*, developed through our unique PhD composer-in-residence partnership with the Guildhall School, but hope this will have a future life.

Collaborations with visiting companies enriched our programming. The Orchestra of the Age of Enlightenment brought their expertise in early music to *Agrippina* while our own orchestra was in Japan. The Royal Opera's co-production of Gerald Barry's *The Intelligence Park* with Music Theatre Wales complemented *Alice's Adventures Underground* on the main stage, while in the international collaboration *Zauberland,* Katie Mitchell directed Martin Crimp and Bernard Foccrolle's dialogue with Schumann's *Dichterliebe*. The collaboration with Candoco Dance Company on our Christmas show for families, Jules Maxwell's wistful retelling of Shaun Tan's popular picture book *The Lost Thing*, helped us to explore the integration of different access offers into shows and visitor experience. Le Ballet de l'Opéra national du Rhin's *Les Beaux Dormants*, the co-production of *Aisha and Abhaya* with Rambert and visits from Acosta Danza and Northern Ballet extended the range, internationalism and types of storytelling offered across our stages and attracted new and younger audiences.

Performances on our stages were complemented by a wide range of free and ticketed events in our front of house spaces, and by Insight events exploring artistic practice and repertory. Highlights included a masterclass with Joyce DiDonato, the culmination of community residencies with Magpie Dance, a

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

discussion about producing work for young audiences bringing together sector figures and audiences, a free lunchtime performance from Acosta Danza and our first ever 'sound bath'.

Sadly, on 16 March rising numbers of Covid-19 cases in the UK caused the closure of all theatres, including the Royal Opera House. No longer able to rehearse or perform live, resulting in the loss of 60% of our income, our focus turned to enabling existing and new audiences to experience our work from their homes. The weekly #OurHouseToYourHouse 'Friday premieres' saw 19 productions streamed to a global audience via YouTube and Facebook. Towards the end of the summer we were also able to share archive productions in cinemas and at drive-in screening locations around the country. Music Director Sir Antonio Pappano brought his characteristic warmth and insight to a series of weekly 'House Music' broadcasts, performing and unpacking operatic repertory from his piano, including contributions from popular soloists. Once we were able to bring performers back into the building safely, we performed three live-streamed concerts, featuring a wide range of operatic extracts, song and ballet solos and duets.

In total, across the Season, 12 productions were broadcast into cinemas or drive-in screening sites, 21 broadcast on radio, 17 televised and 33 streamed, offering a rich range of the world's best ballet and opera for anyone around the UK to enjoy. Throughout the 2019/20 Season, both The Royal Ballet and The Royal Opera worked to ensure we continued to reach global audiences through live streams, broadcasts, socially distanced performances of brand new works, and a suite of opportunities to watch performances across a range of platforms including Netflix, Now TV, the BBC, YouTube, Vimeo, Sky Arts, Scala Radio and our website, all of which have enabled us to showcase the finest opera and ballet to a global audience.

Despite a number of necessary cancellations as a result of changing restrictions, performances of *La boheme*, *La traviata* and The Royal Ballet's *Swan Lake* and *Alice's Adventures in Wonderland* were screened at Luna Drive In cinema locations around the UK; and our *Royal Opera All Star Gala*, live broadcasts of *Ariodante,* as well as our three *Live from Covent Garden* performances were received to critical acclaim.

Looking ahead, we look forward to returning to a packed schedule of in-person and streamed productions as soon as possible in 2021, albeit with a reduced number of new productions while we manage the risks of temporary closures and transition towards a more sustainable financial position. We will continue to innovate to ensure we meet the demands and wishes of our audiences, in our theatre, online, as we work towards financial recovery.

Below we summarise what we were able to produce during our 2019/20 Season, despite the pandemic.

2019/20 Season

Ballet

We put on nine ballets by the Royal Ballet Company including three new commissions (*Everyone Keeps Me* by Pam Tanowitz, *The Cellist* by Cathy Marston, and *Aisha and Abhaya* by Sharon Eyal and Kibwe Tavares) plus Wayne McGregor's *Morgen!* created for the first Live From Covent.

Opera

We put on 15 operas by the Royal Opera Company including two new commissions and seven other new productions (Handel's *Agrippina, Gerald Barry's The Intelligence Park,* Donizetti's *Don Pasquale,* Robert Schumann and Bernard Foccoulle's *Zauberland*, Benjamin Britten's *Death in Venice,* Jules Maxwell's *The Lost Thing,* Gerald Barr's first UK production of *Alice's Adventures in Wonderland,* Handel's *Susanna,* and Beethoven's *Fidelio*).

Partnering

We partnered with 12 companies on productions and performances, including:

- Acosta Danza
- Amala Dianor
- Ballet de Lorraine
- BBC Films

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

- C.I.C.T. – Théàtre des Bouffes du Nord
- Dance Umbrella
- Les Ballet de l'Opéra national du Rhin
- London Handel Orchestra
- Northern Ballet
- Orchestra of the Age of Enlightenment
- Music Theatre Wales
- Rambert

Reaching audiences

Despite the pandemic, we were able to put on 146 performances and participatory events front of house (out of 244 planned), 12 productions were screened at cinemas and drive-in screening sites, and 21 productions were broadcast on radio, 17 televised and 33 streamed.

Championing talent

Our aim is to sustain and improve the conditions that attract the world's great artists and support them to make their best, most innovative work.

The Royal Opera House employs more artists than any other UK arts organisation and works with an expansive network of freelance creatives, singers and other performers.

At the heart of our creative output are our three permanent ensembles: The Royal Ballet (96 dancers), the Royal Opera Chorus (46 singers) and the Orchestra of the Royal Opera House (116 instrumentalists). Their reputation for technical and theatrical excellence attracts international talent to the UK and is a source of great pride.

Exceptional performances during the Season included Joyce DiDonato in *Agrippina,* with the Orchestra of the Age of Enlightenment; two strong British casts in the world premiere staging of Gerald Barry's complex score for *Alice's Adventures Underground*; Bryn Terfel in *Don Pasquale*; Mark Padmore in *Death in Venice*; Lise Davidson and Jonas Kaufmann in Tobias Kratzer's provocative *Fidelio*; Masabane Cecelia Rangwanasha in *Susannah*; Beth Langford in *The Lost Thing*; Francesca Hayward and Alexander Campbell in Manon, with Cesar Corrales making his debut; Roberto Bolle's guest appearance with Marianela Nuñez in Onegin; Reece Clarke's debut opposite Natalia Osipova in Onegin's opening night; Lauren Cuthbertson and Marcelino Sambé in The Cellist Yasmine Naghdi and Matthew Ballet leading the Company in the opening night of The Sleeping Beauty; and the emergence of Mayara Magri, Fumi Kaneko and Anna Rose O'Sullivan across the Season's productions.

This was an incredibly difficult year for performers, creatives and freelancers, many of whom continued to create and share performances and daily practice via social media and to campaign for support for the cultural sector. The Companies were furloughed during the Covid-19 pandemic, but we were able to sustain daily class for dancers via Zoom and, towards the end of the year, we began to bring our dancers back to the studios for limited, socially distanced rehearsal, enabling them to gradually regain essential fitness and rehearsal time. Plans are also in place to enable the Orchestra and Chorus to restart socially distanced practice as an ensemble, although it will be some time before we can perform on the scale to which we are accustomed.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Awards and nominations

During the period, we won 16 awards and they are summarised below.

Award	Description
Time Out 'Time In'	Won by our #OurHouseToYourHouse programme for a cultural initiative that makes life worth living
Sir Peter Hall Director Award.	Won by Anthony Almeida, a Jette Parker Young Artists Programme Link Artist
Restaurant & Bar Design Awards 2019 (Best UK Heritage Building)	The Royal Opera House's Piazza Restaurant
Construction Project 2019	The Royal Opera House won Construction Project of 2019 in the UK Construction Week Awards
Wood Awards	Commercial & Leisure category
The Singer Award at the 2019 Royal Philharmonic Society Awards	Nina Stemme for her performance as Brünnhilde in The Royal Opera's production of Wagner's *Ring Cycle*
Best Lighting Design for in the FX Lighting Awards in January 2020	Open Up Project
Distinguished Musician Award	Thomas Adés (by the Incorporated Society of Musicians)
Civic Trust Award	Given to projects which demonstrate excellence in architecture or design whilst being sustainable, accessible and providing a positive civic contribution
2019 Critics' Circle Music Awards	Deborah Warner's production of *Billy Budd* for The Royal Opera was named Best Opera Production
National Dance Awards	- Best Female Dancer, Francesca Hayward - Best Male Dancer, Marcelino Sambé - Outstanding Male Performance (Classical), Gary Avis in *Winter Dreams;* And a further 11 nominations
Black British Theatre Awards	Marcelino Sambé for his role in *The Cellist*
Olivier Awards	Best Opera Production - *Billy Budd*
Royal Philharmonic Society Awards	Singer Award – Nina Stemme for the *Ring Cycle*

In addition to the awards won above, we were nominated for a further six awards.

Award	Description
Royal Philharmonic Society Awards	*Lessons in Love and Violence* (RO co-commission, 2018/20), *Cave* (RO co-commission, 2018/20) and Elaine Mitchener in *Cave*
Building Awards 2019	Refurbishment Project of the Year.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

London International Awards '(Art Direction Campaign' category)	'Feel Something New' artwork
2019 BroadwayWorld UK Awards.	*Agrippina* was nominated for 'Outstanding Achievement in a New Opera Production'
The National Dance Awards 2019.	A record 18 nominations for members of The Royal Ballet
2020 Olivier Awards	2020 Olivier Awards nominations for The Royal Opera's *Berenice* for Best New Opera Production and the Jette Parker Young Artists nominated for Outstanding Achievement in Opera.

New and underrepresented artists

Work with partners to break down barriers and discover and nurture extraordinary, diverse artists for tomorrow

Broadening the diversity of our creative programmes, and who creates and performs them, is a major priority for the ROH. The Royal Opera is a signatory to the Keychange initiative and on track to achieve its goal of at least 50% of the creatives it commissions being women by 2022, a goal that is matched by The Royal Ballet. The Season to March saw new work led by choreographers Pam Tanowitz, Cathy Marston, Sharon Eyal, Morgann Runacre-Temple and Mariana Rodrigues, and directors Katie Mitchell and Adele Thomas, plus opera R&D awards for Daisy Evans and Laura Bowler, Nadifa Mohamed and Nina Whiteman, and Maria Fusco and Ailis Ni Riain. The Engender Network for women working in opera now numbers almost 200 and we have continued to offer courses for emerging women conductors, moving this activity onto Zoom during the lockdown.

The Jette Parker Young Artists Programme continues to provide one of the world's leading centres for new operatic talent, offering two years' training for artists with potential to forge an international career, plus additional support for emerging artists from under-represented backgrounds. Recruitment paused during the early stages of the Covid-19 pandemic however we continue to support staff and artists prioritising vital areas of work.. A new programme of work has been introduced, building opera interest and skills among a diverse cohort of thirty theatre directors, nine of whom will have the opportunity to film an opera for an online audience or assist on our main stage programme in October 2020. Other sustained programmes include the BA Opera Makers course and PhD Composer in Residence with Guildhall School of Music and Drama and opportunities for Southbank Sinfonia players. The Draft Works, Emerging Choreographer position and International Draft Works choreographic development showcases will be restarted when it becomes feasible for choreographers and dancers to again work in close proximity.

The Youth Opera Company, which is drawn from socio-economic disadvantaged and ethnically diverse parts of London and the South East, performed in *Cavalleria Rusticana/Pagliacci* and celebrated its ten-year anniversary with a performance in the Linbury Theatre. In Birmingham we piloted Opera Nation, a new dramatic singing model providing training and bursaries for 14-18 year-olds from under-represented backgrounds, working in partnership with Royal Birmingham Conservatoire. Chance to Dance, which works with The Royal Ballet School and private dance schools to diversify the early talent pipeline for ballet, was rolled out in the West Midlands with Birmingham Royal Ballet and Elmhurst Ballet School, in addition to the continuing work in Essex, influencing ballet teaching and changing perceptions. We have begun building relationships to embed the project in Doncaster and South Yorkshire.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

OPENING UP

Open up all aspects of the ROH so we touch more people's lives and create a greater sense of belonging

Audience development

Welcome new people to our building and use data to understand and develop audiences in our cinemas and beyond

In the year since reopening new public spaces, thanks to the Open Up project, we had firmly established a vibrant daytime programme, encompassing free and ticketed lunchtime performances, Family Days, early years workshops, and craft workshops. By March we had completed 146 of the 244 events planned for the 2019/20 Season, with 18,392 attendances. Among the highlights were themed Family Sundays connecting an increasingly diverse audience with performances and participation; the Dots Day for under-fives and an After Dark Late for younger adults proved especially memorable. A further 9,790 people attended a backstage tour. Rolling displays opening up the history and theatrecraft of the theatre and its companies animate the space, with this year's Christmas décor inspired by the lilac fairy from Sleeping Beauty.

We had identified improving opportunities and access for disabled people as a priority for the year. We began a programme to train and support a Champion for disabled people within every department, drew on our collaboration with Candoco and worked closely with experts in special education needs from Beacon Hill School to trial new ways of working, adding relaxed performances, visual guides, BSL integration, touch tours and audio-description to our access offer. As our future artistic programming becomes clearer, and having consulted with disabled people about their return to the building in the context of Covid-19, we will implement a wider, more balanced access offer across all our work and visitor services.

Away from Covent Garden, live cinema relays to March attracted a UK audience of 292,577 across 477 cinemas, 90% of them outside London, and an overseas audience of 217,677. World Ballet Day saw a 23% uplift to 243,000 live views of the Royal Ballet segment, with 1.7m subsequent views. Our rich digital archive meant we were well-placed to continue to share our work with audiences during the UK lockdown, attracting 9.15m views of 19 archive productions and three live performances.

We continued to open up our world via social media, increasing reach through engaging content and frequency of posts. Highlights included Facebook Live recitals from artists including Joyce DiDonato and Instagram takeovers from The Royal Ballet, offering glimpses into how dancers are keeping fit at home during lockdown. Our YouTube channel remains the most subscribed to arts organisation in the world, with 951,000 subscribers; Facebook Friends number 1.5m and Twitter 445,000. We continued to expand the range of influencers with whom we work to raise awareness of our offer among diverse new audiences and will be exploring the potential of the TikTok platform, having accumulated 352,000 followers.

National participation

Support teachers to bring ballet, opera and theatrecraft into classrooms nationwide, and connect with under-served communities

Up until the closure of schools in March, 686 schools, 92% of them outside London, were taking part in one of our national learning programmes – Create and Sing, Create and Dance and Create and Design – which blend live and digital learning, supported by teacher CPD and resources, to enable schoolchildren to experience and take part in the arts. CPD took place in locations as far afield as Cornwall, Thurrock and Berwick upon Tweed, with a special session for SEN teachers in Coventry complemented by inclusive workshops. A further 680 schools accessed resources on our Learning Platform, while 215 attended a Schools Matinee or took part in another ROH-led programme. In Thurrock, the Trailblazer programme is active in 72% of the borough's schools. The Learning Platform underwent extensive redevelopment, including complete user interface and experience redesign. Our intention is to continue to grow engagement with our national offer, targeting places outside London where engagement with cultural has traditionally been low, as well as the most ethnically diverse London boroughs, to make a generational shift in who has the opportunity to discover and participate in ballet and opera.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

The closure of schools due to the pandemic inevitably paused this work. In consequence, we pivoted quickly to a home learning offer. This new 'Create and Learn' programme attracted 167,015 unique page views on our Learning Platform of which 79,366 were to the pages setting out activities such as 'make your own mini ROH', creating a dance about gifts and sweets, and a lockdown design challenge. The BBC Ballet Day in partnership with BBC Bitesize Daily attracted 31,000 engagements within the first week of release alone.

ROH Bridge continued to build strong education partnerships in their region. During the lockdown, Let's Create Arts Packs were delivered to 7,500 vulnerable children across the Bridge region of Bedfordshire, Greater Essex, Hertfordshire and North Kent through partnerships including Local Councils and charities. With the other Bridge organisations around the UK, ROH Bridge conducted a survey of education professionals about the learning needs of children and young people emerging from lockdown to inform future strategy.

2019/20 saw the launch of a new partnership in Doncaster, as part of the Doncaster Creates initiative to celebrate and promote culture in the town. A Royal Ballet gala concert and the participatory activity originally planned was put on hold due to Covid-19. However, in its place we delivered Doncaster Dances, engaging 135 local residents, 6 community groups, care homes and schools in a film-based creative dance project inspired by Kenneth MacMillan's Romeo and Juliet. Following digital resources and remote direction from Doncaster-based Royal Ballet dancer Charlotte Tonkinson, participants learnt steps and created their own sections of dance exploring themes of loss, love and separation, friendship, family and solidarity, culminating in a film showing at Cast and shares across social media. We will continue to build on this relationship over the coming year, establishing Chance to Dance locally and embedding ROH learning programmes in every primary school.

Strengthening the sector

Share innovative practice and resources to help ballet, opera and the arts to thrive across the UK

The networks of the Royal Opera House and its resident companies extend across arts and culture, technology, education and training, and communities. Last year we worked with more than 200 organisations and 1,500 schools. We showcased the work of 12 visiting companies in the Linbury theatre, streamed two visiting company performances and presented many more independent artists and organisations in our front of house spaces.

The Royal Opera's Engender network for women working in opera continues to grow in size and influence, with 250 members and 100 women from the UK, Europe and beyond regularly attend live and Zoom events incorporating discussions and 'speed dating' between creatives, leading to new commissions. We also worked with Improbable to hold 'Time for Radical Thinking: what can and should opera be and how might we build it together?', an open space event attended online by 120 people. Unfortunately a second symposium on diversity and inclusion in ballet training, part of The Royal Ballet's festival of young talent, has to be postponed due to the pandemic. We also hosted this year's Stage Awards.

Over 100 primary and secondary heads and multi-academy trust Chief Executives attended the ROH Bridge Headteachers Symposium, created in partnership with the Cultural Learning Alliance and the Bridge organisations from across the south east, with keynotes from Professor Bill Lucas from Winchester University and the Centre for Real World Learning and Amanda Spielman, Her Majesty's Chief Inspector of Schools. A special Insight bought together audiences, sector guests and a panel featuring artistic directors Timothy Sheader and Peter Glanville, film-maker Kibwe Tavares and writer Francesca Simon to explore the creation of innovative work for young audiences, complemented by a glimpse of Rambert and The Royal Ballet's new work for teenagers *Aisha and Abhaya*.

The ROH's Audience Labs is a three-year project to explore the potential of new technologies to create transformative work and reach new audiences. Following an open call process with video magazine Guap, we began a research and development process on *Munkination* – a collaboration between director Isabelle Kettle (currently a Jette Parker Young Artist) and hiphop producer and HAM the Illustrator. Work was also completed on *Current, Rising*, the world's first ever opera in hyper-reality with an all-female creative team, which was scheduled to premier in November 2020, but which will now take place at the earliest opportunity in 2021. The Audience Labs team shared their learnings at ISPA and had been due to present at SXSW,

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Museums Next, DOX and the Opera Beyond opera/technology conference in Finland prior to the Covid-19 pandemic. The Linbury Theatre was also the venue for the first day of Remix, the leading sector conference on digital and culture, bringing together people working in technology and the arts.

We co-hosted a 'meet the funder' event, bringing together over 100 cultural organisations with representatives of seven major trusts and Arts Council England. We were also one of ten organisations working with the Management Centre to test and share behaviour science approaches to fundraising.

Staff were encouraged to share their skills as Board members for other organisations and their learnings at a variety of conferences in the UK and overseas. Presentations included learnings about the Opera Nation youth dramatic singing project at the Equality, Diversity and Inclusion in Music Higher Education Conference at London City University, new technologies at the Remix conference, health and safety risk assessments at the Association of British Orchestras conference and sound management at various conferences including Opera Europa. We have extended our use of LinkedIn to share a wider range of sector-relevant news stories, information and events.

Inclusive workforce

Review recruitment and ways of working so we attract a workforce more representative of society and support all staff to thrive

The death of George Floyd and the Black Lives Matters protests were a stark reminder of the racism that continues to pervade society, institutions and our industry, prompting robust and productive conversations at Board and Executive level and the creation of a Board EDI Committee. With a new approach in every department at ROH, Diversity and Inclusion is now firmly prioritised and embedded feeding in to the ROH staff Diversity & Inclusion Network. A number of new committees and sub-groups of staff and artists have been established in response to the BLM movement, driving debate, change and reflection. We have redoubled our commitment to embedding change at the heart of our organisation and throughout our artforms, as set out in the Anti-racism Pledge and updated Equality, Diversity and Inclusion Plan published in September 2020, and have categorically rejected a continuation of 'business as usual' with regards to diversity, inclusion, equality and fairness in our organisation.

We continued to implement widespread inclusive recruitment practices such as anonymous shortlisting, balanced interview panels, removing unnecessary criteria from adverts and job descriptions and working with partners such as *The Camden Society* to identify suitable candidates. We were a partner in Inclusion London's pilot Supported Pathways project, offering three paid work placements to enable learning disabled students to gain experience of working in the arts.

As part of our four-pronged plan for financial recovery, it has been necessary for us to restructure our staffing, further details of which are included later in this report. The restructuring process included regular equality impact assessment, discussed at Board level and published to all staff. When the time comes to recruit back, we will take the opportunity to be more targeted in our advertising to ensure a more inclusive recruitment process and a more diverse workforce.

We continued to roll out Diversity and Inclusion training for all people managers within the ROH and began a programme to train and empower a champion for disabled people within each department. Our involvement in the Tonic Advance Network enables us to take part in specialist training in specific aspects of equality, diversity and inclusion, alongside opportunities to share and learn from best practise among peers in the performing arts.

The Staff Diversity and Inclusion Network continued to meet every six weeks, with attendance growing to around 80 staff by the end of the Season, with sub-groups to re-assess on repertory for both artistic companies, as well as ROH-wide matters of concern. The organisation marked Black History Month, International Women's Day, London Pride and, for the first time, International Day of Persons With Disabilities both internally for staff and through a campaign of events, external communications and live-streamed insights for ROH audiences to engage with these topics.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

REVENUE GROWTH

Our plan includes ensuring we have a sustainable income base to enable us to deliver or other objectives. Of course, the pandemic has impacted our finances and below we set out how we have been addressing those challenges.

Customer spend

Work collaboratively to sustain strong box office, grow cinema sales, and maximise catering and retail income

The immediate impact of the Covid-19 pandemic was been an immediate loss of all box office and ancillary trading income (catering, retail and cinema) with effect from March 2020, a shortfall of £28.9m against budget for the 19/20 Season, compounded by a reduction in our Theatre Tax Credit claim of a further £3.1m, and the additional cost of restructuring at £5.8m to achieve permanent reduction in headcount described in more detail below.

Using the opportunity of increased take-up of streaming platforms during the lockdown, we have been testing, developing and building audiences for pay per view (PPV) performances. We are also in the early stages of exploring the potential to develop a new streaming platform. Although a welcome revenue source, income from PPV is currently no more than a small fraction of theatre box office income. Over the longer term we hope to grow revenues and to extend public engagement with ballet and opera across the country and internationally. This new channel will complement our programme of cinema relays, which has also been severely disrupted by the pandemic.

We will return to staged productions as soon as feasible within Government safety restrictions but continuing social distancing measures place severe limits on audience capacities, back of house operating methods, and the scale and number of productions. The overall impact is to severely limit income-generating activity with a major impact on our financial model – our operating budgets break even at 90%+ occupancy. With performing restrictions and social distancing continuing for some time to come, reduced tourism activity and a cautious approach to returning to theatres from some members of the audience, we anticipate that revenues will be severely depressed through 2021/22.

We are mitigating the impact of lost revenues through a four part Recovery Plan: an extensive and far reaching programme of cost reduction, non-core asset sales, a major fundraising campaign and through a loan from the Government's Culture Recovery Fund.

Philanthropy and partnerships

Build awareness of our charitable purpose, impact and brand so that people and organisations want to contribute more

Fundraising income for year was £2m over budget which was remarkable given the pause in our public programmes and, with this, our ability to fulfil conditions associated with sponsorship and membership during the full year. While much of this funding was pledged prior to March, donors were generous in relaxing restrictions on committed gifts and considering additional support. Donors valued the additional digital and personal communications and virtual events that were created post March, as evidenced by retention rates and overall fundraising income.

We invested quickly in digital fundraising via platforms such as YouTube, Facebook and Charity Checkout, communicating the need for additional donations around streamed activity. Royal Opera House artists played a key role in making the case for support, raising over £700k in online donations between the start of the pandemic and the end of August.

Although we were unable to present anything like a full programme in the 2020/21 Season we are confident of sustaining £15m of core revenue funding, growing over the following three seasons back to pre COVID levels.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Capital campaign

Create and deliver a campaign to help fund the renewal of our buildings, stage and equipment

We had planned to develop a campaign to undertake works to our backstage facilities. However, given the Covid-19 pandemic, the pressing need is to sustain the organisation through its unprecedented closure and enable it to return to a sustainable position by 2022. A £30m recovery fundraising campaign will be launched in Autumn 2020. In addition to revenue fundraising targets, this will secure pledges over the period to 2021/22 as a key plank of our recovery strategy, alongside repayable finance from the Government and asset sales. The most urgent capital needs will be folded into the scope of the campaign.

Endowment

Promote legacy giving so we can double the ROH Endowment and increase the income it will generate for future activity

We continued to promote legacy giving through talks at General Rehearsals, programmes, Friends magazine messaging and direct mail, with a particular focus in October for Make A Will Month. The number of individuals who have expressed their intention to leave us a legacy rose from 372 to 412. We continue to acknowledge the commitment and foresight of these supporters as Baton Associates, holding a number of events through the year to enable them to learn more about our work and future plans.

ORGANISATIONAL HEALTH

The pandemic has sharpened our focus on financial efficiency which includes investing smartly in renewing our building and modernising how we work

Productivity

Save money, including through changes to working practices, new planning tools and improved IT

In the earlier part of the year we continued our work to identify efficiency improvements in our working practices. We undertook significant re-tenders, including for security and stage engineering services and for internet hosting and connectivity. A 3-year IT strategy was produced which included a project to replace our desktop estate; this was completed in mid-March with the roll-out of mobile devices.

The need to reduce costs became considerably more acute and urgent with the closure of the ROH in March due to the Covid-19 pandemic. Performances, participatory events, artist development, teacher CPD, R&D and capital spend were all immediately cancelled, reducing discretionary spend to a minimum and enabling us to furlough 85% of staff. Remaining resource was focused on activity critical to the long-term sustainability of ROH: streamed performances and learning, fundraising and essential operational support. All staff salaries (both furloughed and working) were reduced by 20% from May, with a 25% reduction for the CEO and the Music Director waiving all payments. Combined with government relief, savings were achieved of £28.6m against budget. However, a sustainable position into the autumn and winter of 2020 has only been possible through use of reserves, while continued social distancing and the economic impacts of the pandemic mean that revenues will be severely depressed over the coming years.

To sustain the ROH longer-term, we began a restructure across all departments, which was concluded in Autumn 2020. This will result in a 20% headcount reduction for 2021, changes to contracts, and more agile, flexible working practices and structures. All salaries over £75k will be reduced, with at least 10% overall reduction to those earning over £150k and a 25% reduction for the CEO. This will achieve a reduction in payroll of more than 25% in the short term and a long-term saving of circa 20% from pre COVID levels.

Valuing people

Embed health and safety, improve staff experience and ensure management responsibilities are clear

Following an extensive consultation process with staff, we launched a set of Royal Opera House values and behaviours at the start of season: "Treat Each Other With Respect", "Be Open" and "Value the Highest

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Standards". These were rolled out through workshops, briefings and signage and are reflected at the contract stage of working with visiting artists and all freelancers. The new 'Spotlight' staff awards highlighted exceptional performance and role modelling of the values and behaviours. We continued to roll out Diversity and Inclusion training for all people managers and introduced a new coaching course for selected managers.

An external audit of Health and Safety was commissioned and, on the back of this, a project developed to improve practices and accountabilities across every part of the organisation overseen by a new sub-committee of the Board for Health & Satefy. External advisors were appointed to help us develop a comprehensive Health & Safety Management System through which our policies, practices and training programmes will be reviewed and enhanced as necessary. We continued to develop our sound management practices and trialled new software via a company based in the US to monitor individual sound exposure in real time. A new Employee Assistance Programme was rolled out, providing staff with confidential and direct access to counsellors, supported by the ROH Benevolent Fund.

In early 2020 an independent review of our safeguarding policies and processes was commissioned which made a number of recommendations that we have implemented over the last year. The Trustees have approved a Safeguarding Framework that covers both safeguarding of Children and Adults at Risk but also staff wellbeing. Policies have been revised including the Policy for the protection of Children and Adults at Risk and the Bullying and Harassment Policy and Procedures. We have implemented terms of reference for our trustee safeguarding lead, a serious incident reporting policy and made safeguarding training available for all trustees. We have also set up a confidential safeguarding email as well as a secure site for case management on the intranet (for all safeguarding cases) and worked with a new supplier on the implementation of an updated whistleblowing service. Resources have been developed for staff struggling with mental health. The performing companies have had safeguarding briefing sessions and enhanced arrangements have been put in place to deal with child performers.

Covid-19 had a profound impact on our community of backstage and front of house staff, craftspeople and artists, permanent and freelance. Around 85% were placed on furlough and all staff pay was reduced by 20%, with a reduction in hours for non-Executive staff still working. In July we entered into redundancy consultations. Staff have shown tremendous resilience and commitment to the organisation through this period. There has been widespread staff attendance at fortnightly all-staff briefings, company-wide and departmental meetings and discussions focused on equality, diversity and inclusion have ensured full transparency and delivery of a new approach. We have shared a wide range of resources and learning opportunities and will providing outsourcing support for those affected by the restructure, many of whom have worked for ROH for many years.

Stages, buildings and equipment

Invest in making the ROH a safe, productive workplace, that can be managed more affordably with reduced environmental impact

The project to replace the main stage flying system – the essential equipment that enables changes of scenery and lighting on the ROH's main stage, which was over twenty years - is well underway. We refurbished two of the front of house lifts as part of a building-wide lift project. A new 4K-capable media suite was in place for our first cinema relay of the Season.

The Open Up programme, completed in September 2018, has opened up our public spaces, improved visitor experience and enabled new activities and revenue stream. In 2019/20 a new box office was added to the ground floor foyer and we introduced ticket and voucher scanning. Kitchens and storage areas in the Paul Hamlyn Hall were upgraded to enable us to extend our catering offer.

Early on in the pandemic, we donated PPE (masks, gloves and protective clothing) to London Ambulance Services. By the end of the year we were developing our own detailed COVID-safe plans to ensure staff and artists could return to the building; most crucially from June, we welcomed dancers back for daily class in socially distanced ballet studios. Those plans were an essential element to being able to stream live concerts in June; during the summer we built on these plans to commence rehearsals for our autumn programme.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

The ROH Collections, which provide a unique insight into the heritage of the organisation and its artforms, as well as critical organisational memory, initiated a project to conserve and catalogue over 6,000 playbills from the 18th and 19th century

Following the 2019 condition surveys of the estate and stage equipment, we formulated an Estates Plan in December and launched a feasibility project to develop a 'masterplan' for ROH's estates in Covent Garden and Thurrock with revised configuration of office accommodation and workshops. The severe impacts of Covid-19 on our fundraising mean that in March, the feasibility project was paused whilst we considered the most urgent priorities given the need for Covid-safe working practices.

Environmental sustainability

Better understand and plan to significantly reduce our carbon footprint

Everything we do has an impact on the environment. We are committed to working towards a net zero operation as well as to raising environmental awareness among our staff and audiences.

A new Sustainability Strategy Group is now in place to lead our work in this area. We began the year with a strong management focus on measuring, and then improving, our environmental impact across four areas: buildings, productions, operations and people (staff, artists and audiences).

Our buildings

The Royal Opera House has three sites: Covent Garden, Thurrock and Aberdare. Over the last decade we have made improvements to Covent Garden including replacing chillers and installing LED lights into offices, front of house areas and the new Linbury Theatre. The workshops in Thurrock were built in 2010 and 2015 and are more environmentally sustainable buildings with a ground source heat pump and green roof.

During this last year, we put in place new recycling stations in Covent Garden and Aberdare, introduced new waste streams for coffee cups, food waste and cardboard, and commissioned an energy strategy to determine the roadmap for carbon neutrality across our infrastructure.

Across our buildings, we are committed to:

- developing an Estates Plan that commits to upgrades of our infrastructure and equipment to reach net zero
- improving waste management and recycling rates (currently at 57%) and improving the levels of re-use and recycle in all activities

Our productions

A new Production Sustainability Group has been created to ensure sustainability is at the heart of our production processes. As we re-start our programme, we will be working with all creative and technical teams to reduce the carbon footprint of our work.

The team have been part of a sector wide 'Green book' on sustainability in productions due to be published in 2021-22 setting standards and best practice for minimising the impact of our productions on the environment.

Our operations

The lockdown during Covid has changed the way we work. As we begin our activities again, we are committed to

- Measuring, and reducing, our Scope 3 emissions
- Minimising single use plastic and using recyclable packaging wherever possible
- Evaluating the environmental policies of contractors throughout the procurement process and ensure contractors observe good environmental practice when working on ROH sites
- Working with Company of Cooks to improve the sustainability of our food offering and to refocus menus to be based more on seasonal and British produce

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Our staff, artists and audiences

Our commitment to sustainability was re-stated throughout our staff meetings as part of the ROH plan. The staff Environmental Action Group helped roll out the new recycling arrangements and the group will re-launch at the start of the new season.

During the next year, we are committed to:

- Promoting environmental awareness amongst our employees and encourage them to work in an environmentally responsible manner
- Enabling audiences and visitors to understand and minimise their pollution and carbon footprint when visiting us – promoting a reduce, re-use recycle approach
- Measuring and reducing our staff and artists travel and building on new working practices developed during lockdown
- Encouraging, enabling and participating in public discussions concerning environmental issues

Streamline Energy and Carbon Reporting

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR) imposed by the 2018 SECR Regulations, we are required to disclose the following energy and carbon information for the reporting year 1st September 2019 to 31st August 2020

Scope 1: Emissions from combustion of Gas tC02e: 1,127 (Energy consumption: Gas 6,127,551 kWh)
Methodology: tCO2e calculated from the product of the invoiced gas consumption in kWh during the reporting period and the 2020 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Natural Gas'
Scope 2: Emissions from purchased electricity tCO2e: 1,748 (Energy consumption: Electricity 7,498,289 kWh)
Methodology: tCO2e calculated from the product of the above stated electricity consumption in kWh during the reporting period and the 2020 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Electricity Generated/Electricity: UK'
Scope 3: Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel tCO2e: 13
Methodology: tCO2e calculated from the total mileage expenses claimed during the current reporting period (47,080 miles) multiplied by the 2020 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for an Average Car and Unknown fuel type
Intensity ratio: tCO2e gross figure based from mandatory fields ($tCO2e/m^2$): 0.052
Methodology: The intensity ratio stated above has been calculated as Tonnes of CO2e per total square metres of property owned (57,438m^2)

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

FUTURE PLANS

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Summary

The 2019/20 Season ran from 16 September 2019 until 16 March 2020 when, in common with theatres across the country, the Royal Opera House was forced to close to limit the spread of Covid-19. The pandemic had an immediate effect on our ability to deliver our core activities of live performance, learning and participation, and artist development. In turn, 60% of our income disappeared, with a serious impact on our finances**.**

We have set out above what we achieved during the period, despite the pandemic, and the actions we took to mitigate the impacts. But we remained optimistic throughout that, eventually, the crisis would abate, and our future plans reflect that.

In 2020/21, our focus has been to perform when we can, continue to provide our audience with the ability to connect with us digitally, all whilst trying to save money and conserve cash. In 2021/22, we expect to begin a 'reawakening phase' before a 'recovery phase' the following year.

2021/22: The 'reawakening phase'

In brief, thankfully, with the vaccine being rolled out and a roadmap out of lockdown having been put in place, we opened our doors again on 17th May to restricted numbers of in-venue audiences (launching a 'reawakening' phase) and our planning assumption is we will be able to open more fully in September (beginning the 'rebuilding' phase), all subject of course to government guidance at the time.

We have just announced our early plans for our 2021/22 Season, the first full ROH Season since 2019. There will be 11 new productions, with five world premieres and 20 revivals. Full season details will be announced on 1 June and highlights include:

- **New ballets**: Wayne McGregor's *The Dante Project* and *The Dark Crystal* and Christopher Wheeldon's *Like Water for Chocolate*
- **Classic ballets**: *Giselle, The Nutcracker* and *Swan Lake* as well as works by Frederick Ashton and Kenneth MacMillan's *Romeo and Juliet*
- **New opera productions and commissions**: new productions of *Rigoletto, Jenůfa, Theodora, Peter Grimes, Samson & Dalila* and the world premiere of *The Blue Woman*, by composer Laura Bowler and librettist Laura Lomas, for the Linbury
- **Classic operas**: revivals of *Nabucco*, *Tosca, Otello* and *La Traviata* with world class, and increasingly diverse casts

We are reviewing and updating all our departmental plans and from a financial perspective, we are working towards ROH's operating position returning to a sustainable break-even position from the 2022/23 Financial Year.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

2019/20: Risk Management approach

During the period the Trustees have operated a risk management strategy which comprises:

- Review and assessment by the full Board of Trustees of the risks which the charity may face and the approach to risk management.
- The establishment of systems and procedures to mitigate those risks identified.
- Detailed review by the Audit and Risk Committee of strategic and operational risks, including Health & Safety, the Major Incident Plan and Technology and Data Security matters.
- Procedures designed to minimise any potential impact on the Charity should any of those risks materialise.

The governance and management of risk is divided between **Strategic risk** and **Operational risk.**

Strategic risk is reviewed by the Executive at meetings regularly throughout the year and is linked to the ROH Plan. The Executive considers each risk against its agreed risk appetite and reviews existing mitigations and planned actions. Operational risk is reviewed and updated by the Operational Risk Group which normally meets quarterly and operates under clear terms of reference. During the year, the meeting frequency was adapted due to the impact of Covid-19. The membership of the Operational Risk Group is made up of senior managers from across the Royal Opera House with representation from Technical, Finance, Business Affairs, Facilities, Human Resources, Information Technology, Health and Safety and the Opera and Ballet Companies. The Director of Finance attends the Operational Risk Group meetings and a regular report is produced and discussed with the senior executive.

In dealing with the impact of Covid-19, the Board and the Executive met more frequently to discuss the strategic risks faced by the organisation, and to understand and consider how the pandemic was affecting our business operations, our risk and control environment and to assure themselves of the adequacy of controls and mitigations in place.

Strategic Risks

The Covid-19 pandemic is the most significant risk impacting the Royal Opera House in its recent history. The rapid spread of Covid-19 caused governments to implement policies to restrict travel, close businesses and enact social distancing rules to prevent the spread of the virus. These measures have resulted in a slow down to the economy and significantly altered the working lives of the Royal Opera House employees, audiences and key service providers resulting in disruption to our business, cashflow and reserves.

In response to the unprecedented challenge that the pandemic caused, the organisation responded quickly to ensure the continued operation of the business. Since the Opera House closed on 16 March 2020, key employees have been working remotely and a significant number of employees were furloughed, subject to operational requirements, to take advantage of the Coronavirus Job Retention Scheme which is due to finish at the end of September 2021. Action was taken to reduce cashflow requirements and maintain sufficient liquidity. To ensure the long-term sustainability of the business a significant restructure was implemented in the last quarter of 2020 and the Royal Opera House were successful in applying for a loan from the Government's Culture Recovery Fund.

In August 2020 the government relaxed rules related to live performances in England allowing them to happen if social distancing rules were followed and subject to local restrictions if applicable. From September 2020 the Royal Opera House delivered performances and events with live audiences attending, albeit with much reduced capacity than usual, which then ceased following the further lockdown from December 2020.

The organisation continues to monitor and take necessary actions to ensure we come through this period with sufficient reserve levels to operate.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Other strategic risks are listed below:

1	Cost Control & Earned Income	Inability to deliver planned programme, in turn impacting our ability to secure related revenues and achieve a balanced financial outturn. Caused by poor planning and prioritisation, failure to plan for equipment needs, pressure on salaries and fees, reduced customer spend and reduced philanthropy. Mitigated through an overall framework and governance for balancing priorities and change programmes, three-year budget process, resource management, robust pricing strategy, informed and effective fundraising strategy, including Recovery campaign and strong stakeholder relations.
2	Health, safety and physical security	The risks inherent in theatre production and presentation (e.g. working at height, noises, chemical, manual handling), combined with the challenges of operating a busy public venue and the potential for a terrorist attack on London. Mitigated through a robust management and governance structure for safeguarding, safety issues and reporting, staff training and awareness raising, investigation of near misses and incidents, and by drawing on specialist external support as required.
3	Capacity to deliver ROH programme	Failure to marry our increased organisational and artistic objectives with sufficiently robust support, planning systems and decision making structures. Mitigated by alignment of plans and ambitions with rigorous planning processes, integrated change planning and continuous reviews of systems and processes.
4	Technology or equipment failure	Cancellation of performance or loss of customer data or business information as a result of systems failures or cyber attack. Mitigated by a robust testing regime, training and planned investments supported by external expertise as required.
5	Public investment via Arts Council England (ACE)	Misalignment between ROH priorities and ACE strategy, including Investment Principles, breach of funding agreement and/or a drop in public investment in arts, ballet or London. Mitigated through presentation of an outstanding programme, delivered across a variety of platforms, that seeks to place opera and ballet in a broader cultural context, through national Learning and Participation programmes, through measures to increase the diversity of new and underrepresented artists, workforce and audiences, and through collaborations that strengthen the wider sector.
6	Reputation of ROH	Perceived drop in innovation investment, artistic quality and access to talent, or association with an individual or organisation whose reputation becomes damaged, impacting all income streams and our ability to attract talent. Mitigated by balanced programming, clear processes for sharing production concepts, advocacy activity, and ROH Values and Behaviours.
7	Access to creative talent	Inability to attract and work with exceptional talent to deliver a high quality programme owing to insufficient/inadequate training pathways, inability to pay competitive fees and salaries, Covid-19 travel restrictions, post-Brexit visa regime, reputational concerns or reduction in range of repertory. Mitigated by a range of talent development initiatives, creative and workforce diversity strategies, fair pay, advocacy on employment issues and a multi-layered staff engagement programme.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Trustees' duty to promote the success of the Charity – Section 172 Statement

Section 172 of the Companies Act 2006 requires the trustees to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes.

The Companies Act 2006 requires The Royal Opera House, as a large company, to report on how trustees have complied with Section 172 and other linked matters.

Section 172: the Trustees must promote the success of the charity to achieve its charitable purposes by having regard to:

(A) The likely consequences of any decision long term

The ROH Plan was approved by the Trustees in late 2017 and set out four priorities and the actions and performance indicators for each over the period 2018-22. At the end of 2018/9 Trustees together with the executive team reviewed progress against the ROH plan, reflected on the context in which the ROH is operating, updated the priorities and refreshed plans and performance indicators for 2020-22.

These four priorities (which are elaborated on elsewhere in this report) are:

- Artistic Excellence
- Opening Up
- Revenue Growth
- Organisational Health

All the decisions made by Trustees are predicated on the desire to achieve these long term aims. The needs of all our beneficiaries: our current and future audiences as well as the many participants in our educational programmes as well as our other key stakeholders: our employees, our freelancers, the Arts Council England and donors, are vital to the success of our strategic plans.

Trustees also keep under review the charity's principal risks and opportunities and ensure that our plans can adapt to respond to changes as required. These are set out on pages 29 to 30 of this report.

Trustees responded to the Covid-19 Pandemic by formulating a four-pronged plan for recovery: a programme of restructuring and staffing cuts, reducing costs wherever possible; a fundraising campaign; support from Government; and realising such value as we were able to from our assets. In addition, Trustees approved a full digital programme with many free to air streams as well as live-streamed performances and archive recordings and a full programme of educational content whilst home schooling was continuing.

(B) The interests of the Charity's employees

The Trustees recognise that it is the extraordinarily committed staff and artists that make the Royal Opera House such a remarkable institution. Considering and protecting their interests is crucial to the success of the ROH and our decision-making processes take into account the impact of potential decision on our staff and artists.

Over the period of this report Trustees and management implemented a number of audits including health and safety as well as training on mental health, security and safeguarding.

The ROH recognises three trade unions with whom we work closely and consult with on key aspects of ROH operations. The unions were closely involved in the restructuring programme and redundancies that were necessitated by the Covid-19 pandemic.

(C) The need to foster the charity's business relationships with suppliers, customers and others.

It is important for the ROH to ensure that we engage with our customers whether they are audiences in our theatre or the participants in our Learning and Participation programmes or simply those who visit the ROH. The Executive team regularly receives information on the audience feedback as well as detailed feedback from teachers and other educational participants. The ROH also communicates with our audience and those who are part of our membership programmes with targeted information according to their preferences whilst at the same time being mindful of data privacy concerns.

Our procurement function ensures that we deal with suppliers fairly and in a professional manner. We also develop strong working relationships with key suppliers who are able to work with us to best support and

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

maintain our unique building.

(D) The impact of the charity's operations on the community and the environment

Trustees and Management recognise that sustainability and the environment are at the centre of our activities and currently we are working towards a sustainability plan that will be implemented at all levels of the ROH. This is set out on pages 25 to 26. The ROH also works with both our local community but also communities elsewhere in the UK. We have local programmes in Thurrock as well as in Doncaster where we aim to foster community engagement with our artforms.

(E) The desirability of the charity maintaining a reputation for high standards of business conduct

The trustees recognise both that the ROH's reputation is critical both to its success but that we also have an obligation to maintain the highest standards given our position in the UK arts and charity sectors. To that end the trustees have adopted the Charity Governance Code.

There are a number of policies in place to promote corporate responsibility as well as ethical behaviour including anti-fraud and bribery, modern slavery, safeguarding, conflicts of interest, bullying and harassment, as well as donation and income acceptance. Summaries of all these policies are available on the ROH website and full versions are available on request.

The ROH Values and Behaviours referred to previously underpin our recruitment and induction processes. Our procurement strategy embeds ethical standards in our supply chain as well and health and safety and safeguarding compliance.

(F) How trustees have engaged with other stakeholder, eg service users, beneficiaries, funders and the wider community

We have outlined elsewhere in the report and in this statement how we engage with suppliers, employees, the wider community, customers and other users.

Our donors are a critical part of our success and this has been especially true in the last year when we have had to call on them to help support our recovery plan. We continue to actively engage with all our donors at all levels. We receive significant funding from the Arts Council England (ACE) and it is an essential part of our financial wellbeing. We have a strong working relationship with ACE and keep them regularly informed on all aspects of our activities.

(G) The need to act fairly as between members of the Charity and how directors/trustees have engaged with employees and taken account of their interests

We want to make sure we are able to attract and develop talented people who bring more, precisely because of the breadth of their different backgrounds, experiences, cultures and outlooks.

Recruiting and working with those talented people is just part of the work. We know that we need to create an environment where everyone believes they belong and can do their best work. Achieving inclusion requires inclusive leaders with the ability and desire to continually seek feedback, really listen and then act to establish a culture where difference is genuinely valued. We commit to regularly measuring our progress, holding our leadership team accountable for achieving our goals but we acknowledge that we must learn as we go. We are far from perfect and have a lot to do.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Equality, Diversity and Inclusion

Our EDI commitments fall under six themes: Representation, Talent Pipelines, Individual Voices, Authenticity, Access and Governance.

- REPRESENTATION - Our stages and events will better reflect and celebrate a diversity of communities and experiences
- AUTHENTICITY - We will engage more proactively with communities to ensure that our portrayals of diverse cultures are respectful and authentic
- TALENT PIPELINES - We will do more to attract and nurture wider talent pools, particularly in those areas of our work where gender, ethnic diversity and disability are currently under-represented
- INDIVIDUAL VOICES - We will respect everyone as individuals and ensure equal access to the support needed for people to perform at their best. We will be sensitive to different lived experiences and will seek and listen to different cultural perspectives
- ACCESS - We will do more to improve the access to and visibility of our work to communities who have historically had less engagement with our artforms and remove or reduce any practical barriers to access for our audiences and workforce
- GOVERNANCE - We will do more to develop the skills required to lead our EDI work with cultural competence and confidence, and ensure we have effective policies and procedures in place to support our values and behaviours:

Monitoring Progress

The Royal Opera House Board of Trustees and Executive Team are responsible for the delivery of this strategy. Assessment of our success will be data driven, and high-level KPIs for EDI have been embedded in the ROH Business Plan. Transparency with staff on our plans and progress is key. We will consult with the Staff Diversity and Inclusion Network before this strategy and future updates are finalised and will report back formally to staff twice a Season. This strategy will next be formally updated in September 2022.

A summary of the strategy will be available publicly on the ROH website.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Finance and Governance

The Royal Opera House strives to present an ambitious programme of work while balancing its books on unrestricted general funds in each full financial year.

The results for the period are set out in the consolidated statement of financial activities. Note 1 to the financial statements sets out the basis on which these financial statements have been prepared.

The ROH's business plan includes a set of outcomes and related KPIs, agreed with the Executive team and Board of Trustees. Linked to a detailed action tracker, the KPIs included: the level of new work being generated; public engagement across performances, digital activity and learning and participation initiatives; diversity of audiences, participants, staff and artists; results against budget; and environmental performance. Performance against the KPIs is reviewed in detail at the end of each year. Progress with the action tracker is reviewed by the full Executive team every 3-4 months. During 2019/20, the pandemic severely impacted the KPIs, so monitoring of the previously established KPIs was suspended. More crucially, frequent regular reporting of cashflow and savings was a priority.

In addition, the Board of Trustees and Arts Council England receive Management Accounts on a monthly basis, enabling them to closely monitor progress against financial targets throughout the year.

The important continuing investment from Arts Council England enables the undertaking of a range and depth of work and investment in new work, artist development, craft excellence, engagement and access which could not be sustained otherwise.

As a National Portfolio Organisation (NPO), a grant of £24.2m (*52 week period ended 25 August 2019: £24m*) was received from Arts Council England, representing 25% of total (unrestricted) income (*52 week period ended 25 August 2019: 19%*). The Royal Opera House is one of only four National Portfolio Organisations to be awarded funding from Arts Council England to lead the Bridge programme for Bedford Borough, Central Bedfordshire, Luton, Hertfordshire, Essex, Thurrock, Southend, Dartford, Gravesham, Swale and Medway. Funding of £0.7m was received in the current year (*52 week period ended 25 August 2019: £0.7m*).

It was an extremely challenging year for the organisation financially and the charity was able to manage through careful financial stewardship: in responding to the pandemic, managing the Arts Council grant with no trading income from mid-March 2020, continued support from our donors and supports, combined with government support through CJRS(Coronavirus Job Retention Scheme) and savings from pay reductions for all staff and other cost reductions.

Excluding income within the Endowment, fundraising income targets of £29.1m (*52 week period ended 25 August 2019: £28.1m*) were set against fundraising activities in the development department for the period and these were met with funds raised of £31.1m (*52 week period ended 25 August 2019: £29.3m*).

Our trading subsidiary, Royal Opera House Enterprises Limited, recorded an operating profit before tax of £1.9m for the 53-week period ended 30 August 2020 (52 week period ended 25 August 2019: £4.5m). This decrease in operating profit is attributable to the closure of the Opera House due to Covid-19 on 16 March 2020. On 3 September 2018, the trading subsidiary entered into an agreement to sell the trade and assets of Opus Arte, the trading name of the recording label. This has not been shown as a discontinued operation as the activity is not considered a significant line of business for the consolidated organisation. The effective date of the transaction was 31 October 2018 and a profit on the disposal of £2.3m was recorded.

The overall result for the group unrestricted general funds was a decrease on the Unrestricted general funds of £0.1m *(52 week period ended 25 August 2019: £0.1m increase)* after transfers from Restricted funds of £2.0m *(52 week period ended 25 August 2019: £2.5m)* and net transfers from Unrestricted Designated funds of £8.0m *(52 week period ended 25 August 2019: net transfers from Unrestricted Designated Funds of £4.6m).* Refer to Note 17 on pages 81-82 for details.

At 30 August 2020 unrestricted funds were £211.8m *(25 August 2019: £223.7m)* before Unrestricted pension reserve deficit of £36.3m *(25 August 2019: £28.4m).* There is £199.7m *(25 August 2019: £207.8m)* held in Unrestricted Designated funds and a further £7.7m *(25 August 2019: £11.4m)* held in Unrestricted Revaluation funds.

At the end of the period Restricted fund balances were £13.1m *(25 August 2019: £14.1m).* For further details refer to Note 28. At the end of period the Endowment fund balance of £43.4m *(25 August 20189: £43.6m)* is represented by restricted capital assets of the Royal Opera House Endowment Fund 2000.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

The Royal Opera House group held positive cash balances throughout the period. Unrestricted cash, including unrestricted cash with a notice period of more than 3 months, held at the period end was £22.4m *(25 August 2019: £33.0m),* with no advance bookings held at the period end *(25 August 2019: £9.8m),* required to meet the charity's working capital requirements and reserves. This decrease in overall cash balances was a direct result of the impact of the pandemic on the charity during the 2019/20 financial year.

Reserves

The Trustees regularly review reserve levels, and designated the following amounts at the period end:

- Fixed Asset and Heritage Asset funds, of £184.9m and £9.1m respectively, equivalent to the tangible and intangible fixed assets owned by the charity, plus the current anticipated excess of capital expenditure over depreciation in the next season.
- Designated Future Project Fund of £5.6m. This fund comprises specific amounts put aside for future activity, which includes a fund of £1.4m *(25 August 2019: £7.1m)* toward the planned investments in key technical infrastructure.

The level of free reserves (represented by the Unrestricted General fund) at 30 August 2020 of £4.4m *(52 week period ended 25 August 2019: £4.5m)* equates to only 3.6% of total unrestricted incoming resources. The Trustees agree that a higher level of reserves is desirable in order to protect against a reduction in box office and fundraising income, economic uncertainties, unforeseen events and any further reductions in public funding. The Trustees review the level of free reserves annually, and considering the financial model of the charity, core expenditure and levels of cash held in advanced bookings, have determined that a target level of free reserves of £10m is appropriate, and this has been the target for the last several years. However, Trustees acknowledge that any increase to free reserves over the next two to three years will be unlikely due to both the impact of the Covid-19 pandemic and to the identified needs for the programme of major capital works. As the financial strategy is to budget for a minimum £2m contingency in annual budgets, while building designated funds for specific future, longer term planning, the Trustees will also consider increases to the free reserves when possible in order to make progress towards the £10m target.

The total funds held at 30 August 2020 was £232.1m *(25 August 2019: £253.1m).* The designated Future Projects Fund is likely to be spent in the next two years, in line with our forward planning assumptions.

Levels of unrestricted funds, both current and forecast, are monitored closely to ensure they remain at an adequate level in order to provide financial flexibility and a buffer against operational risk.

Pension scheme

In line with the requirements of FRS 102 S28 'Employee Benefits', the Royal Opera House defined benefit Pension Scheme liability and related costs are included in these financial statements. Within the Statement of Financial Activities employer contributions as determined by the actuary are recorded as an operating cost in the unrestricted general fund. The difference between contributions paid and the cost / (credit) in profit or loss charged to the statement of financial activities in accordance with FRS 102 was a loss of £0.4m (52 week period ended 25 August 2019: £0.3m) (refer to note 32 of the financial statements). The actuarial loss, net of actual return less interests on plan assets for the period was £7.6m (52 week period ended 25 August 2019: £8.4m). The gross pension liability at the period end was £36.3m (25 August 2019: £28.4m), with the increase from the prior period driven by the increase in the discount rates used, a change in the post-retirement mortality assumption and asset returns in excess of the discount rate, all as part of the actuarial assumptions. It is important to note that the liability represented by this value (being based upon actuarial assumptions) will alter in response to changes to the future funding and structure of the pension scheme (as well as to economic and investment market conditions) and does not crystallise in the short or medium term.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest funds not immediately required for its purposes in such investments, securities or property as may be considered appropriate by the Trustees. Aside from balances held with the Royal Opera House bankers, Coutts & Co. monies are only invested in funds that are regulated by the FCA.

The Trustees of the Royal Opera House Endowment Fund 2000 have no restrictions on their investment powers and are permitted to invest and reinvest the Trust Fund, providing the objectives and purposes of the charitable fund are met, and subject to such consents as may be required by law.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

The Trustees reviewed and agreed an Investment Policy in line with the Charities Commission Guidance CC14. This is not shown in full in the accounts but a summary of the key investment objectives are as follows:

- Generate investment income to maximise the grant income available to support the Royal Opera House Covent Garden Foundation;
- Deliver capital growth, as well as income, to maintain the real value of investments for future years;

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

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 2018 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 Risk Management

The following statements summarise the Board's policy in managing identified forms of financial risk.

Credit Risk: Risk on amounts owed to the charity by its customers is low as payment for ticket sales and operations through the trading subsidiary are mostly settled at the point of purchase.

Price risk: Payroll costs represent 50% of total expenditure for the Royal Opera House and higher levels of inflation represent a risk also as 21% of the total income for the Royal Opera House group comes from Arts Council England. The Royal Opera House has freedom over its ticket pricing, and box office income represents 24% of revenue. The pricing strategy aims to hold the lowest ticket price at an accessible level.

Cash flow risk: Excluding Endowment assets, surplus funds are placed on short-term deposits with major clearing banks and CCLA. Short-term deposits are those with a term no greater than six months.

Liquidity risk: The Royal Opera House has one loan with an outstanding loan balance for the year ended 30 August 2020 of £1.4m. Risk on repayment of loans is low as the annual loan payment is 0.1% of total income and the property for which the loan was secured is mortgaged against the loan.

Going Concern

The Trustees must satisfy themselves as to the Royal Opera House's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Board of Trustees reviewed possible options in its assessment of going concern by considering whether, in the face of several challenging yet plausible scenarios identified as a result of COVID-19, the Royal Opera House had adequate resources to meet its obligations as they fall due in and beyond the 12 months from the date of approval of these financial statements.

The Covid-19 pandemic developed rapidly in 2020 and continues to have a significant impact on our operations at the date of the audit report. Measures taken by governments, primarily the UK government, have affected economic activity and the group's activities in various significant ways:

- Due to UK government restrictions the Royal Opera House, along with many other theatre venues, has been closed to the general public since mid-March 2020 which has affected the following key areas
    - Our ability to put on live productions in the Royal Opera House's varied performance spaces has been significantly affected
    - Our ability to use the Royal Opera House and its performance programme for commercial use such as retail, catering, venue hire, sponsorship, advertising etc has been greatly reduced
    - Memberships from friends and patrons has been impacted as a result of the reduced performance programme
- Our global cinema programme has been impacted by government restrictions across the world concerning entertainment venues as well as the impact of uncertainty on customer demand for cinema screenings

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

From the beginning of the pandemic, financial modelling was undertaken by the executive and on an ongoing basis discussed with the Board. This modelling has guided the executive to take a number of actions, such as reducing costs, to optimise cash flow and reserve levels. The Board reviewed and challenged the appropriateness of the scenarios modelled, and all decisions that could affect the well-being of employees. The scenarios are based on the potential financial impact of the Royal Opera House's specific risks associated with COVID-19, namely the closing of the Royal Opera House in Covent Garden and the impact of social distancing on attendance and occupancy rates once the industry can ease restrictions and the Opera House can safely reopen.

Several scenarios have been considered over the course of the pandemic. The scenario felt to be most plausible at the time of signing the Annual Report has the Opera House not re-opening fully until September 2021, and until then only performing breakeven productions to either a live audience following current performance guidelines and / or streaming of performances through various media channels. A performance schedule has been identified for this scenario with assumptions for occupancy rates, and the subsequent impact of those on all areas of the Opera House. The Trustees are confident that these risks have adequate mitigation to ensure the ROH remains a going concern.

After the closure of the Opera House a four point plan for recovery was devised which comprises an organisational restructure to save costs, the sale of certain heritage assets, a recovery fundraising campaign and an application to the Government's Cultural Recovery Fund. At the date of approving these financial statements the Trustees can confirm that the portrait of Sir David Webster by David Hockney was sold from the ROH heritage asset collection. Christie's were appointed to sell the painting and ahead of the auction date an independent third party guarantee was secured. The painting sold for £11.275m in a public auction in October 2020. The sale estimate from Christie's was £10-12m and the price realised (hammer price plus buyer's premium net of applicable fees) was £12.865m. In late November 2020, the buyer at auction was publicly announced as the former ROH Chair of Trustees, David Ross. In conclusion, the recovery fundraising campaign has started well, the Government's Cultural Recovery Fund has offered a long term loan of £21.7m, and the cost saving organisational restructure of staffing was completed as at 1 December 2020.

Underlying assumptions were updated as the pandemic progressed and more information was released by the government to the public. As of 25 May 2021 the ROH is able to put on some performances and events to the public whilst ensuring social distancing guidelines are followed. Considerations for the season planned for 2021-22 include a reluctance for audiences to return to theatres which we have reflected in a reduced financial capacity, and not returning to the pre-COVID levels until the end of the 2022-23 season. Although the full impact of the pandemic is difficult to assess with certainty, the current information available leads management to believe that the scenarios are reasonable. In particular, an extreme and highly unlikely scenario was modelled on the assumption that the Opera House would remain closed for the foreseeable future – even in this implausible situation, ROH could expect to remain a going concern.

After consideration of the scenarios and the impact of the four point plan for recovery, the Trustees consider that the Royal Opera House (Group and Parent Charitable Company) has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason the financial statements of the Group and Parent Charitable Company have been prepared on a going concern basis.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

ACKNOWLEDGEMENTS

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

We would like to express our heartfelt thanks to the following companies who worked with us during 2019/20:

Acosta Danza
Active Suffolk
Active Fusion
AHRC Creative Economy Programme
Albany Deptford
Amala Dianor
Argent
Arts Council England
Art 4 Thinking
Ballet Black
Bang & Smash Music
Bavarian State Opera, Munich
BBC: BBC FOUR, BBC Radio 3, Proms Learning, Bitesize
Birmingham Opera Company
Birmingham Royal Ballet
Blackheath Halls
Blackpool Grand Theatre
Black Ticket Project
Breakin' Convention
Bridge Organisations: Artswork, Arts Connect West Midlands, Curious Minds, Norfolk and Norwich Festival Bridge, The Mighty Creatives, Real Ideas Organisation, Tyne and Wear Archives and Museums
British Underground
Brit School
Candoco Dance Company
The Camden Society
Cast
CARVE CoLAB
Central and Cecil Care Home
Challenge 59
Cheshire Dance
ChickenWired
CHROMA
C.I.C.T. – Théâtre des Bouffes de Nord
City Lit Adult Education College
Coalhouse fort
Complete Commedia Co
Confidance
Creative Blast
Dance schools: Dance2Drama, Anthony Clifford Dance Studios, Essex Dance Theatre, Junior Masters, Elite Performing Arts Academy, JVS Performing Arts, Walsall Dance Academy, Dance2gether,
Dancer Development Fund
Dance Umbrella
Debut
Deda
Digital Catapult
Doncaster College
Doncaster Council
Doncaster Creates
Dutch National Ballet
Dutch National Opera
English Touring Opera
ENOA (European Network of Opera Academies)
Figment

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Firstsite
Flexer & Sandiland
Focal Point Gallery
FranceDance UK
Full House Theatre
Gamelan Anak Ledjar
GUAP
Guildhall School of Music and Drama
Historic Royal Palaces: Hampton Court and Kensington Palace
High House Production Park
Improbable
Inclusion London
Innovate UK
Inspire +
Into Film
Irish National Opera
Juniper Education
Kinetika
Kings College London
La Monnaie/De Munt Brussels
Lea Academy Trust
Le Cercle des Partenaires des Bouffes du Nord
Le Ballet de l'Opéra national du Rhin
Lewis and Murphy
Lincoln Center for the Performing Arts, Inc, New York
Lincolnshire Inspires
Local Cultural Education Partnerships in: Coventry, Stevenage, Stoke, Tendring, Thurrock and North Kent
London Handel Festival
London Handel Orchestra
London Sinfonietta
The Lowry
LV21
Magpie Dance
MEH Doncaster
Merce Cunningham Trust
Mousetrap projects
MS Society
Music For Change
Music Education Hubs in: Berkshire, Blackpool, Bristol, Bury, Camden, Cornwall, Devon, Ealing, Essex, Gateshead and South Tyneside, Harrow, Hertfordshire, Hillingdon, Houslow, Hull, Oldham, Lancashire, Lincolnshire, Manchester, Milton Keynes, Newham, Northumberland, Nottingham, Rotherham, Sefton, Sheffield, Somerset, Stockport, Surrey, Tees Valley, Thurrock, Torbay, Tower Hamlets, Wigan, Wiltshire
Music Theatre Wales
NACRO
National College for Creative Industries
National Gallery
National Opera Studio
National Theatre
National Trust
New English Ballet Theatre
Northern Ballet
NSEAD
One Dance UK
Open Network
Opéra de Lille

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Opéra national de Paris
Opéra de Rouen Normandie
Opera for Peace
Opera North
Parents in Performing Arts
Pride London
PRS Foundation
Punchdrunk
Pyramid Arts Centre
Rainham Hall
Rambert
Rendered Retina
REMIX
Root Interactive
Royal Court Theatre
The Royal Ballet School
Royal Birmingham Conservatoire
Royal Conservatoire of Scotland
Royal Holloway London
Royal Shakespeare Company
School Sports Partnerships in: Barking and Dagenham, Bolsover, Cheshire, Cheshire West, Derbyshire, Erewash
Shape Arts
Shubbak Festival
Signals
Sino-UK Performing Arts Skills Exchange
Sheffield Hallam University
SOLT and UK Theatre
Southbank Centre
Southbank Sinfonia
South Essex College
Sound Intermedia
SparkedEcho
STEAM Co
Stonewall
St Mary's University
Surrey Music Hub
Teatro Massimo Palermo
TheatreCraft
Theatre National de Chaillot
THINK Film
Thurrock Community College
Thurrock Libraries
Thurrock Museum
Tonic Theatre
Tower of London
Trestle
Trinity Laban
Unity
University Musical Society of the University of Michigan, Ann Arbor
University of London
University of Wolverhampton
V&A
Virtual Umbrella
Visualise

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Volksopera Wien
Woman's Aid

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

STRUCTURE, GOVERNANCE AND MANAGEMENT

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Directors and Trustees

The directors of the charitable company ('The Royal Opera House' or 'the charity') are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who held office during the period and since period end were as follows:

Ian Taylor (Chair - retired 10th December 2019)
Lady Heywood (Acting Chair – appointed 10th December 2019, retired 1st September 2020) (Deputy Chair – retired 10th December 2019, appointed 1st September 2020) (Senior Independent Director – retired 10th December 2019)
David Ross (Chair – appointed 1st September 2020, retired 13th May 2021)
Sir Simon Robey (Chair – appointed 14th May 2021)
Zeinab Badawi (appointed 8th October 2019)
Lord John Browne (appointed 1st September 2020)
Tim Bunting
Kirsty Cooper
Dr Genevieve Davies
Sir Lloyd Dorfman CBE
Dame Vivien Duffield
Susan Hoyle OBE
Sir Nicholas Hytner
Sir John Kingman (appointed Acting Senior Independent Director 10th December 2019)
Julian Metherell
Munira Mirza (retired 10th December 2019)
Paul Morrell OBE
Indhu Rubasingham (appointed 1st September 2020)
Chris Townsend OBE (appointed 1st January 2021)
Laura Wade-Gery (retired 1st January 2021)
Roger Wright CBE
Danny Wyler

Chief Executive

Alex Beard CBE

Company Secretary

Leah Hurst (appointed 8th October 2019)
Ivan Daffern (retired 8th October 2019)

Governing Document

The Royal Opera House Covent Garden Foundation is a company limited by guarantee (company number: 480523) governed by its Memorandum and Articles of Association, which were last amended on 7 July 2017 for changes in Trustee re- appointment terms. It is registered as a charity at the Charity Commission (charity number: 211775).

Charitable objects

Our charitable objects, as stated in the Royal Opera House governing document, are:

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 achievement of our aims as listed in the pages above (p11-p26) enable us to fulfil our charitable objects and therefore our legal purpose.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Public benefit

The Trustees refer to the Charity Commission's general guidance on public benefit when shaping and reviewing the Charity's aims, objectives and future strategies. In setting the level of ticket prices, charges and concessions, and in developing digital and broadcast distribution, the Trustees give careful consideration to the accessibility of the Royal Opera House to those on low incomes. As outlined in this report, this is addressed through maintaining a wide range of ticket prices, as well as through several ticket subsidy schemes, free events, digital and broadcast activity and an extensive learning and participation programme.

Appointment of Trustees

Trustees are appointed for an initial term of up to four years and are self-appointing. The Nominations and Remuneration Committee has delegated authority to recruit Trustees who are formally elected at Board meetings,and ratified at the next following Annual General Meeting of the Company. On the expiry of such initial term they may be re-appointed for additional terms expiring on or before the financial year end following either the second or fourth anniversary of the date of re-appointment. No Trustee shall be appointed for a term exceeding twelve years. The Trustees appoint a Chair for a term of five years or less and on expiry of such term he or she may be re-appointed for a second term of three years or fewer by approval of the Trustees provided that on expiry of such second term he or she shall, unless the Trustees otherwise exceptionally determine, retire from office. The Nominations and Remuneration Committee reviews regularly the structure, size, composition, diversity and succession needs of the Board, ensuring that the Board has the required blend of skills and experience and its remit is to identify, assess and formally recommend to the Board candidates for appointment as Trustees.

Trustee Induction and training

New Trustees undergo an induction session with the Company Secretary to brief them on their obligations under charity and company law, the contents of the Memorandum and Articles of Association, the board manual and the committee and decision- making processes. During the induction new Trustees are also introduced to key employees and other Trustees.

Organisation

The direction and control of the Royal Opera House is determined by the Board of Trustees, which meets at least six times a year. The role of the Board is to direct the Royal Opera House strategy and to ensure that the Royal Opera House is on the approved strategic course (including artistic strategy) and that it is properly and effectively managed. The following sub-committees of the Board are established (which in the case of Development and Learning and Participation, include members who are not Trustees).

Audit and Risk: The committee meets at least three times a year. The committee is chaired by Julian Metherell. Other members are Kirsty Cooper, Lady Heywood, Sir Nicholas Hytner, Sir John Kingman, Paul Morrell, Ian Taylor (retired 10th December 2019), Laura Wade-Gery (retired 1st January 2021) and Danny Wyler. Alex Beard, Mindy Kilby (Director of Finance) and Heather Walker (Director of Operations), report to all meetings. The committee is responsible for considering and reviewing matters relating to the control environment, including internal audit, health and safety and risk management, including consideration of matters raised by the external auditors. The committee is responsible for the appointment of the external auditors, meets regularly with them and reviews their performance and independence.

Finance and Operations: The committee meets six times a year. The committee is chaired by Lady Heywood. Other members are Lord John Browne (appointed 26th February 2021), Sir Lloyd Dorfman CBE, Sir Nicholas Hytner, Sir John Kingman, Julian Metherell, Paul Morrell OBE, Ian Taylor (retired 10th December 2019), Laura Wade-Gery (retired 1st January 2021) and Danny Wyler. Alex Beard, Mindy Kilby (Director of Finance) and Heather Walker (Director of Operations), report to all meetings. The committee is responsible for reviewing and assessing the balance, integrity and transparency of financial information, the adequacy of financial planning, budgeting and forecasting, and the Royal Opera House's annual financial statements. It makes recommendations to the Board on major capital expenditure and revenue contracts and on the overall framework for delegated financial authority in the Royal Opera House.

Development: Ian Taylor chaired this committee until his resignation on 10th December 2019, when Danny Wyler assumed the chair. Other members are Ian Andrews (retired 31st August 2020), Roger Barron (retired 26th November 2019), Tim Bunting (appointed 5th November 2019), The Countess of Chichester, Nicola Davidson

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

(retired 4th May 2021), Dr Genevieve Davies (retired 19th November 2019), Dame Vivien Duffield (appointed 3rd December 2020), Lady Heywood (appointed 22nd January 2020, retired 1st September 2020), Simon Holden (retired 20th November 2019), Martin Houston (retired 20th November 2019), Robert Kalff, Sophie Lecoq (retired 26th November 2019), Thomas Lynch (died in post November 2019), Julian Metherell (retired 6th December 2019), Paul Raphael (appointed 22nd June 2020), Sir Simon Robertson (retired 5th November 2019), Sir Simon Robey (appointed 14th May 2021), Kristina Rogge (retired 28th November 2019), Dame Gail Ronson, David Ross (appointed 1st September 2020, retired 13th May 2021), John Singer (retired 13th December 2019), The Earl of Snowdon, Natasha Tsukanova (retired 30th November 2019), Andrew Walton and Lady Young of Graffham. Alex Beard and Amanda Saunders (Director of Development and Enterprises) report to all meetings. The committee supports the Development department in maximising fundraising opportunities and income.

Donation and Income Acceptance (formerly Ethics): Ian Taylor chaired this committee until his resignation on 10th December 2019. Lady Heywood assumed the chair from 10th December 2019 until 1st September 2020, when David Ross assumed the chair. David Ross retired on 13th May 2021, and Sir Simon Robey assumed the chair on 14th May 2021. Other members are Kirsty Cooper and Danny Wyler. The committee supports the organisation around the ethical acceptance/rejection of sponsorship, donations and membership. This includes making decisions, recommending referral of those decisions to the Charity Commission where appropriate, assessing the potential impact of those decisions while advising the business communications department with regard to their rationale, advising the main Board on the associated risks, annually reviewing the policy on accepting/rejecting such funds and monitoring compliance with this policy.

Learning and Participation: Munira Mirza chaired this committee until her resignation on 10th December 2019, when Susan Hoyle assumed the chair. Other members are Alex Beard, Helen Bruckdorfer, Hilary Carty, Annie Crombie (appointed 20th April 2021), Dame Vivien Duffield, Jane Ellison (retired 19th November 2020), David Hall (retired 19th November 2020), Anne McElvoy (retired 19th November 2020), Tanya Joseph (appointed 20th April 2021), Dame Theresa Sackler (retired 19th November 2020), Jonathan Sands, Ian Taylor (retired 10th December 2019) and Bridget Whyte. Jillian Barker (Director of Learning and Participation) reports to all meetings. The committee supports the organisation in planning, implementing and monitoring programmes and initiatives focused on learning, participation and widening engagement.

Nominations and Remuneration: Ian Taylor chaired this committee until his resignation on 10th December 2019. Lady Heywood assumed the chair from the 10th December 2019 until 1st September, when David Ross assumed the chair. David Ross retired on 13th May 2021, and Sir Simon Robey assumed the chair on 14th May 2021. Other members are Dame Vivien Duffield, Lady Heywood, Susan Hoyle OBE, Sir John Kingman, Julian Metherell and Danny Wyler. Alex Beard also attends these meetings. The committee nominates appointees to the Board and other Senior Executives for approval by the Board. It may co-opt additional members where particular expertise is required and a particular role is under consideration. The committee is also responsible for the continuous review of Board membership to ensure that a proper balance of skills, experience and diversity is maintained. The committee is responsible for reviewing and benchmarking internationally the pay, benefits and total compensation of the Executive Team. The activities of the Royal Opera House are driven by the artistic plans of the Royal Ballet and the Royal Opera, and managed by the Chief Executive with the support of the Executive Team. The Committee consider the Chief Executive, Music Director, Director of the Royal Ballet and Director of Opera as key management personnel responsible for these activities. The Committee conducts an annual review of executive compensation, focussing on survey data from a range of comparable UK and international arts organisations, and also takes into account the annual pay award for all staff. Under the chairmanship of the Senior Independent Director the Nominations and Remuneration Committee will set up a subcommittee to propose and assess candidates for the Chairmanship of the Board.

Executive Team: the day-to-day management is the task of the Royal Opera House Executive

The Trustees appoint the Chief Executive and, with him, the most senior management. Royal Opera House operations are managed by the Chief Executive with the assistance of an Executive Team comprising:

Alex Beard, Chief Executive
Jillian Barker, Director of Learning and Participation
Heather Baxter, Administrative Director, The Royal Ballet
Bob Brandsen, Production Director *(until 31 August 2020)*
Melanie Crompton, Orchestra Administrative Director *(until 30 April 2021)*
Jane Crowther, Director of Human Resources (*until 13 December 2019*)
Mark Dakin, Technical Director
Helen Dunne, Acting Orchestra Administrative Director *(until 1 November 2019)*

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Lindsey Glen, Head of Policy and Strategy *(until 10 December 2020)*
Dale Haddon, Director of Human Resources *(from 17 June 2020)*
Peter Katona, Director of Casting
Koen Kessels, Music Director, The Royal Ballet
Mindy Kilby, Director of Finance
Terry McGrath, Director of Audiences & Media (*from 11th November 2019*)
Oliver Mears, Director of Opera
Kevin O'Hare, Director, The Royal Ballet
Antonio Pappano, Music Director
Richard Piercy, Director of IT (*from 2 September 2019 until 16 March 2020*)
Amanda Saunders, Director of Development and Enterprises
Cormac Simms, Administrative Director, The Royal Opera
Laura Stevenson, Renewal Programme Director (*from 1 September 2019*)
Heather Walker, Director of Operations

The Chief Executive (assisted by the Executive Team) is responsible for the development and implementation of the strategy and business plans of the Royal Opera House. The Executive Team meets weekly to monitor artistic, operational and financial progress against plans approved by Trustees. It should be noted that where the title 'Director' is used in the above table this is an internal management term only and does not indicate directorship according to the Companies Act definition.

The Royal Opera Company and The Royal Ballet Company are internal divisions of the charity. The Royal Ballet has a Royal Charter dating in its original form from 1956. The Royal Opera House, The Royal Ballet and The Royal Opera Company have the Sovereign's permission to use the word 'Royal' in their titles.

The Royal Opera House Pension Fund: Richard Soper, Chair

We would also to thank the following for support, advice and encouragement throughout the year:

Ambassadors

The Countess of Chichester
Dame Gail Ronson DBE

The Board of the Royal Opera House Endowment Fund

Dame Vivien Duffield Chair, Tim Bunting, Hamish Forsyth, Sir Simon Robertson (retired 20th April 2020), Sir Simon Robey, Baroness Shackleton of Belgravia (retired 20th April 2020), Peter Troughton CBE

Board of Honorary Directors

Ian Taylor Chair (retired 10th December 2019)
Lady Heywood Chair (appointed 10th December 2019, retired 1st September 2020)
David Ross Chair (appointed 1st September 2020, retired 13th May 2021)
Sir Simon Robey Chair (appointed 14th May 2021)
The Countess of Chichester Honorary Vice Chair
Dame Gail Ronson Honorary Vice Chair
Gregory and Regina Annenberg Weingarten
Lady Ashcroft
Mikhail Bakhtiarov
Celia Blakey
BP International – Peter Mather
Tim and Sarah Bunting
Susan and John Burns
Ricki Gail Conway
Dr Genevieve Davies
Sir Mick and Lady Barbara Davis
Sir Lloyd Dorfman CBE
Dame Vivien Duffield
Aline Foriel-Destezet
Hamish and Sophie Forsyth
Kenneth and Susan Green
Lady Hamlyn
Jane Hamlyn
Dr Catherine Høgel
Charles Holloway
Aud Jebsen
Frances Kirsh
Doug and Ceri King
Alfiya and Timur Kuanyshev
Lord and Lady Laidlaw
Rena and Sandro Lavery
Margarita Louis-Dreyfus and Phillipp Hildebrand
The Marguiles Family
Bertrand and Elisabeth Meunier
Marit Mohn
OANDA Europe Limited – David Hodge

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Mrs Susan A Olde OBE
Stefan Sten Olsson
Jette and Alan Parker
Natalie Parker
Mrs Clarissa Pierburg
Melinda and Donald Quintin
Julia and Hans Rausing
Yvonne and Bjarne Rieber
Sir Simon and Lady Robertson
Rolex – Arnaud Boetsch
The Gerald and Gail Ronson Family Foundation
Ruinart – Mr Bertrand Steip
Dame Theresa Sackler
Mrs Lily Safra
Lord and Lady Sainsbury of Preston Candover
Kim Samuel
John Studzinski CBE
Tina Taylor
Lindsay and Sarah Tomlinson

Van Cleef & Arpels – Geoffroy Medinger
Dr and Mrs Michael West
Danny and Lillian Wyler

Anonymous (4)

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

REFERENCE AND ADMINISTRATIVE DETAILS

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Charity number

211775

Company number

480523

PRINCIPAL OFFICE

Royal Opera House
Covent Garden, London,
WC2E 9DD

AUDITORS

Grant Thornton UK LLP 30 Finsbury Square, London, EC2A 1AG

BANKERS

Coutts & Co. 440 Strand, London, WC2R 0QS

INVESTMENT ADVISORS

Stonehage Fleming Investment Management Limited, 15 Suffolk Street, London SW1Y 4HG

Troy Asset Management Limited Brookfield House, 33-34 Davies Street, London W1K 4BP

Newton Investment Management Limited BNY Mellon Centre, 160 Queen Victoria Street, London, EC4V 4LA

ACTUARIES

(to the Royal Opera House Pension Scheme) **Lane Clark & Peacock LLP**

95 Wigmore Street, London, W1U 1DQ

INTERNAL AUDITORS

RSM UK Group LLP

25 Farringdon Street London EC4A 4AB

LOTTERY FUNDED | ARTS COUNCIL ENGLAND
Supported using public funding by ARTS COUNCIL ENGLAND

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Group entities

On 30 August 2020 the group included the charity and:

Royal Opera House Endowment Fund 2000

Royal Opera House Enterprises Limited

ROH Holdings Limited

ROH Developments Limited

The consolidated financial statements include the results of these entities, as detailed in Note 2. See Note 2 for the principal activities of these entities.

Equality policy/statement

The Royal Opera House has an ongoing commitment to promoting diversity throughout all its work – as an employer, in the art we perform, and in the extent of our audience. We report annually to Arts Council England on our progress against an action plan, which is keenly monitored by the Board of Trustees.

Environmental strategy

It is the ambition of the Royal Opera House to be a leader in environmental sustainability and to act as a catalyst for positive change in this field.

Recognising our global reach and leadership role within the UK arts sector, we embrace our responsibility and obligation to reduce our impact on the environment and we aim to engage with our audiences, staff, suppliers and partners to raise awareness about sustainability issues. It is our belief that reducing our environmental impact will not only have a positive effect on the environment, but will also make our operations more efficient and economical and will enhance our organisational resilience in the long term.

Health and safety

The charity has a health and safety committee comprised of representatives from many departments. All new employees are issued with a health and safety policy document. In addition, under the supervision of the occupational health unit, there are trained first-aiders in all departments. A full report on Health and Safety is considered annually by the Board.

Employees

The charity informs and seeks the views of its employees by means of regular department meetings open to all employees and newsletters. Regular meetings are held with the recognised unions: BECTU (Broadcasting Entertainment Cinematograph and Theatre Union), The Musicians' Union and Equity.

Disabled persons

The charity encourages the employment of disabled persons. It is Board policy to ensure that continued employment is offered, wherever possible, to employees who become temporarily disabled and special arrangements are made for those permanently disabled.

Political and charitable contributions

The charity made no political contributions during the period. No charitable contributions were made during the period, other than as disclosed in Note 9 to the financial statements.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Payment policy

It is the charity's policy to pay suppliers in accordance with agreed credit terms. The Royal Opera House had trade creditors equivalent to 18 days supply at the period end *(52 week period ended 25 August 2019: 9 days).*

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

Fundraising statement

Our guiding principle for fundraising is to build secure, long term fundraising support from our Members, encouraging their interest in our charitable work, allowing them to engage with our staff and projects and seeing how their additional gifts help us. Our fundraising materials are written and designed around this principle.

Fundraising activities include targeted direct mail, events and leaflets at promoting donations and bequests, donations through our website, and approaches to Trusts, Foundations, companies and individual benefactors.

Our fundraising is carried out by our in-house fundraising teams and we are a registered member of The Fundraising Regulator. We have procedures in place to ensure our staff and volunteers comply with fundraising standards and regulation; we are not aware of any failure by our staff or volunteers to meet these standards. We are committed to acting promptly if we receive any information indicating we have not met these standards.

In 2019/20 we received 8 general fundraising complaints about our fundraising activity. If complaints are received we respond quickly and ensure corrective action is taken as required. If complaints are received about the suggested donations added to ticket purchases, these are refunded at the point of complaint. Additionally there were 12 follow-up complaints received when customers did not realise that the suggested donation had been added, these were also refunded and a response was issued. Corrective actions might include retraining fundraisers and updating monitoring processes.

We take our responsibilities on managing our contact data very seriously and we strive to ensure that our policies and procedures around data and processing meet our legal requirements, our high expectations and those of our supporters. As part of the risk-based audit plan and in line with our risk management processes, Internal Audit performs regular reviews of the Fundraising team activities and control environment.

We recognise the need to protect vulnerable people. We ensure comprehensive training is provided to ensure that empathy and respect are demonstrated towards people in vulnerable circumstances and that no donation is sought or gained from someone who may not have the capacity to make an informed and considered decision.

We respect our supporters' privacy and rights to decide how and if we contact them. We make it easy for supporters to choose how they want to hear from us, and if they ask us not to contact them we will not, unless it is a legal or administrative requirement.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Trustees' responsibilities statement

The trustees (who are also directors of Royal Opera House Covent Garden Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected 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. Under company law 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 charitable group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Annual Report (incorporating the strategic report) was approved by the Board of Trustees and signed on 25 May 2021.



Sir Simon Robey, Chair

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Independent auditor's report to the members of Royal Opera House Covent Garden Foundation

Opinion

We have audited the financial statements of Royal Opera House Covent Garden Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the 53 week period ended 30 August 2020, which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated Balance Sheet, the Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows 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 group's and parent charitable company's affairs as at 30 August 2020 and of the group's incoming resources and application of resources including, its income and expenditure for the period 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 Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 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 group and parent charitable company 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 directors 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 group and company'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 group and company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group or for a company 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:

- 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 group's or the parent charitable company'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.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

In our evaluation of the Trustees' conclusions, we considered the risks associated with the group and company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the group and company'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 group and the company will continue in operation.

Other information

The trustees are responsible for the other information. 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report, prepared for the purposes of company law, included in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Annual Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 Trustees' Responsibilities Statement set out on page 53, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

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 group and the parent charitable company'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 group or parent charitable company 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Redfern
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
25th May 2021

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

FINANCIAL STATEMENTS

ROYAL OPERA HOUSE COVENT GARDEN FOUNDATION (LIMITED BY GUARANTEE)

Consolidated financial statements

53 week period ended 30 August 2020

Registered charity number: 211775. Registered company number: 480523.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Consolidated statement of financial activities

for the 53 week period ended 30 August 2020

	Note	Total Unrestricted Funds	Restricted Funds	Endowment Funds	53 week period ended 30-Aug-20 Total Funds	52 week period ended 25-Aug-19 Total Funds
		£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Charitable activities						
Operation of Royal Opera House (including box office)	3	**37,766**	**-**	**-**	**37,766**	56,861
Government Grant	5	**-**	**12,416**	**-**	**12,416**	-
Donations and legacies						
Donations, legacies and similar incoming resources	6	**23,576**	**5,347**	**167**	**29,090**	29,150
Grants from Arts Council England	4	**24,213**	**732**	**-**	**24,945**	24,756
Other trading activities						
Commercial trading income	7	**12,502**	**-**	**-**	**12,502**	20,230
Investments	8	**834**	**463**	**-**	**1,297**	1,704
Total income and endowments		**98,891**	**18,958**	**167**	**118,016**	132,701
Expenditure on:						
Charitable activities						
Productions, sales and operations	9	**(91,186)**	**(17,545)**	**-**	**(108,731)**	(120,896)
Raising Funds						
Generating voluntary income	11	**(4,152)**	**(355)**	**-**	**(4,507)**	(4,898)
Commercial activities	12	**(8,183)**	**(210)**	**-**	**(8,393)**	(13,005)
Restructuring	15	**(5,816)**	**-**	**-**	**(5,816)**	
Interest payable	16,26	**(62)**	**-**	**-**	**(62)**	(64)
Total expenditure	14	**(109,399)**	**(18,110)**	**-**	**(127,509)**	(138,863)
Profit on disposal of operations	17	**-**	**-**	**-**	**-**	2,257
Net (loss) / gains on investments	20	**-**	**156**	**(387)**	**(231)**	1,792
Net (expenditure) / income		**(10,508)**	**1,004**	**(220)**	**(9,724)**	(2,113)
Transfers between funds	17	**1,987**	**(1,987)**	**-**	**-**	-
Other recognised gains and (losses)						
(Loss) / Gains on revaluation of heritage assets	20,24	**(3,739)**	**-**	**-**	**(3,739)**	9,000
Actuarial (loss) / gain on the defined benefit pension scheme	32	**(7,601)**	**-**	**-**	**(7,601)**	(8,429)
Net movement in funds		**(19,861)**	**(983)**	**(220)**	**(21,064)**	(1,542)
Fund balances brought forward at 25 August 2019	28	**195,398**	**14,073**	**43,647**	**253,118**	254,660
Fund balances carried forward at 30 August 2020	28	**175,537**	**13,090**	**43,427**	**232,054**	253,118

Amounts relating to incoming resources and resources expended in the current and previous period derive from continuing activities. No significant new operations have been acquired in the period or the previous period.

There is no difference between the results for the period stated above and their historical cost equivalents, except for unrealised gains and losses on investments and heritage assets (see note 20).

Notes from pp. 63-107 form part of the financial statements.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Consolidated income and expenditure account

for the 53 week period ended 30 August 2020

	Note	**53 week period ended**	52 week period ended
		30-Aug-20	25-Aug-19
		Total Income Funds	Total Income Funds
		£'000	£'000
Income and endowments from			
Charitable activities			
Operation of Royal Opera House (including box office)	*3*	**37,766**	56,861
Government Grant	*5*	**12,416**	-
Donations and legacies			
Donations, legacies and similar incoming resources	*6*	**28,923**	27,165
Grants from Arts Council England	*4*	**24,945**	24,756
Other trading activities			
Commercial trading income	*7*	**12,502**	20,230
Investments	*8*	**1,297**	1,704
Total income and endowments		**117,849**	130,716
Expenditure on:			
Charitable activities			
Productions, sales and operations	*9*	**(108,731)**	(120,896)
Raising Funds			
Generating voluntary income	*11*	**(4,507)**	(4,898)
Commercial activities	*12*	**(8,393)**	(13,005)
Restructuring	*15*	**(5,816)**	-
Interest payable	*16,26*	**(62)**	(64)
Total expenditure	*16*	**(127,509)**	(138,863)
Profit on disposal of operations	19	**-**	2,257
Net (expenditure) before taxation		**(9,660)**	(5,890)
Taxation	*37*	-	-
Net expenditure after taxation		**(9,660)**	(5,890)

The consolidated income and expenditure account is prepared for Companies Act purposes and presents the group's gross income and expenditure. The consolidated statement of financial activities includes the consolidated income and expenditure account along with movements in endowment funds and unrealised gains and losses and actuarial gains and losses on pension liability.

Notes from pp. 63-107 form part of the financial statements.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Consolidated balance sheet

as at 30 August 2020

	Note	Un-Restricted Funds	Restricted Funds	Endowment Funds	30 August 2020 Total Funds	25 August 2019 Total Funds
		£'000	£'000	£'000	£'000	£'000
Fixed assets						
Intangible fixed assets	21	**1,377**	**-**	**-**	**1,377**	1,998
Tangible fixed assets	22	**186,132**	**10,532**	**-**	**196,664**	197,160
Heritage assets	24	**16,791**	**-**	**-**	**16,791**	20,530
Investments	23(a)	**-**	**-**	**38,584**	**38,584**	39,149
Total fixed assets		**204,300**	**10,532**	**38,584**	**253,416**	258,837
Current assets						
Productions in preparation		**957**	**-**	**-**	**957**	2,669
Stocks	25	**422**	**-**	**-**	**422**	303
Debtors: amounts falling due after more than one year	26	**1,330**	**-**	**5,430**	**6,760**	7,235
Debtors: amounts falling due within one year	26	**17,809**	**645**	**-**	**18,454**	17,423
Cash at bank and in hand		**22,400**	**1,400**	**-**	**23,800**	23,080
Short term Investments: Deposits	35	**-**	**-**	**-**	**-**	12,500
		42,918	**2,045**	**5,430**	**50,393**	63,210
Creditors: amounts falling due within one year	27	**(35,377)**	**1,878**	**(587)**	**(34,086)**	(39,174)
Net current assets		**7,541**	**3,923**	**4,843**	**16,307**	24,036
Total assets less current liabilities		**211,841**	**14,455**	**43,427**	**269,723**	282,873
Creditors: amounts falling due after one year	27	**-**	**(1,365)**	**-**	**(1,365)**	(1,405)
Net assets excluding pension liability		**211,841**	**13,090**	**43,427**	**268,358**	281,468
Defined benefit pension scheme liability	32	**(36,304)**	**-**	**-**	**(36,304)**	(28,350)
Net assets including pension liability		**175,537**	**13,090**	**43,427**	**232,054**	253,118
Funds						
Unrestricted general funds	28	**4,470**	**-**	**-**	**4,470**	4,546
Unrestricted revaluation funds	28	**7,708**	**-**	**-**	**7,708**	11,447
Unrestricted designated funds	28	**199,663**	**-**	**-**	**199,663**	207,755
Unrestricted funds before pension reserve		**211,841**	**-**	**-**	**211,841**	223,748
Unrestricted pension reserve	32	**(36,304)**	**-**	**-**	**(36,304)**	(28,350)
Restricted funds	28	**-**	**13,090**	**-**	**13,090**	14,073
Endowment fund	28	**-**	**-**	**43,427**	**43,427**	43,647
Total Funds		**175,537**	**13,090**	**43,427**	**232,054**	253,118

These financial statements were approved by the board of Trustees on 25 May 2021 and were signed on its behalf by:

SIR SIMON ROBEY **JULIAN METHERELL**





Trustee *Trustee*

Notes from pages 63-107 form part of these financial statements.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Parent charitable company balance sheet

as at 30 August 2020

	Note	Un-Restricted Funds £'000	Restricted Funds £'000	30 August 2020 Total Funds £'000	25 August 2019 Total Funds £'000
Fixed assets					
Intangible fixed assets	21	**1,377**	**-**	**1,377**	1,998
Tangible fixed assets	22	**186,132**	**10,532**	**196,664**	197,160
Heritage assets	24	**16,791**	**-**	**16,791**	20,530
Investment in subsidiaries	23(b)	**6,676**	**-**	**6,676**	6,676
Total fixed assets		**210,976**	**10,532**	**221,508**	226,364
Current assets					
Productions in preparation		**957**	**-**	**957**	2,669
Debtors: amounts falling due after more than one year	26	**600**	**-**	**600**	800
Debtors: amounts falling due within one year	26	**18,454**	**644**	**19,098**	19,263
Cash at bank and in hand		**20,440**	**-**	**20,440**	17,830
Short term Investments: Deposits	35	**-**	**-**	**-**	12,500
		40,451	**644**	**41,095**	53,062
Creditors: amounts falling due within one year	27	**(33,613)**	**-**	**(33,613)**	(38,298)
Net current assets		**6,838**	**644**	**7,482**	14,764
Total assets less current liabilities		**217,814**	**11,176**	**228,990**	241,128
Creditors: amounts falling due after one year	27	**-**	**(1,365)**	**(1,365)**	(1,405)
Net assets excluding pension liability		**217,814**	**9,811**	**227,625**	239,723
Defined benefit pension scheme liability	32	**(36,304)**	**-**	**(36,304)**	(28,350)
Net assets including pension liability		**181,510**	**9,811**	**191,321**	211,373
Funds					
Unrestricted General funds	28	**4,670**	**-**	**4,670**	4,614
Unrestricted Revaluation funds	28	**7,708**	**-**	**7,708**	11,447
Unrestricted Designated funds	28	**205,436**	**-**	**205,436**	213,535
Unrestricted Funds before pension		**217,814**	**-**	**217,814**	229,596
Unrestricted pension reserve	32	**(36,304)**	**-**	**(36,304)**	(28,350)
Restricted funds	28	**-**	**9,811**	**9,811**	10,127
Total Charity funds		**181,510**	**9,811**	**191,321**	211,373

The parent company's loss for the period, before other recognised gains and losses, was £8.712m (2019: £5.040m loss). After loss on revaluation of heritage assets and actuarial loss on defined benefit scheme the loss for the period was £20.052m (2019: £4.470m).

These financial statements were approved by the board of Trustees on 25 May 2021 and were signed on its behalf by:

SIR SIMON ROBEY — *Trustee*

JULIAN METHERELL — *Trustee*

Notes from pages 63-107 form part of these financial statements.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Consolidated statement of cash flows

for the 53 week period ended 30 August 2020

	Note	**53 week period ended**	52 week period ended
		30-Aug-20	25-Aug-19
		£'000	£'000
Cash outflow from operating activities	33(a)	**(2,935)**	(1,247)
Cash inflow / (outflow) from investing activities	33(b)	**3,757**	(6,563)
Cash outflow from financing activities	33(c)	**(102)**	(102)
Change in cash and cash equivalents in the reporting period		**720**	(7,912)
Cash and cash equivalents at the beginning of the reporting period		**23,080**	30,992
Cash and cash equivalents at the end of the reporting period		**23,800**	23,080

Notes from pages 63-107 form part of these financial statements.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

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 financial statements:

Basis of preparation

The financial statements have been prepared in accordance with FRS102 : The Financial Reporting Standard applicable in the UK and Republic of Ireland and under the historical cost convention, modified to include the revaluation of investments and heritage assets, and in accordance with 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) and Companies Act 2006. There are no material departures from FRS102.

Comparative figures are shown for the 52 week period ended 25 August 2019.

Going Concern

The Trustees must satisfy themselves as to the Royal Opera House's ability to continue as a going concern for a minimum of 12 months from the signing of the financial statements. The Board of Trustees reviewed possible options in its assessment of going concern by considering whether, in the face of several challenging yet plausible scenarios identified as a result of COVID-19, the Royal Opera House had adequate resources to meet its obligations as they fall due in and beyond the 12 months from the date of approval of these financial statements.

The Covid-19 pandemic developed rapidly in 2020 and continues to have a significant impact on our operations at the date of the audit report. Measures taken by governments, primarily the UK government, have affected economic activity and the group's activities in various significant ways:

- Due to UK government restrictions the Royal Opera House, along with many other theatre venues, has been closed to the general public since mid-March 2020 which has affected the following key areas
    - Our ability to put on live productions in the Royal Opera House's varied performance spaces has been significantly affected
    - Our ability to use the Royal Opera House and its performance programme for commercial use such as retail, catering, venue hire, sponsorship, advertising etc has been greatly reduced
    - Memberships from friends and patrons has been impacted as a result of the reduced performance programme
- Our global cinema programme has been impacted by government restrictions across the world concerning entertainment venues as well as the impact of uncertainty on customer demand for cinema screenings

From the beginning of the pandemic, financial modelling was undertaken by the executive and on an ongoing basis discussed with the Board. This modelling has guided the executive to take a number of actions, such as reducing costs, to optimise cash flow and reserve levels. The Board reviewed and challenged the appropriateness of the scenarios modelled, and all decisions that could affect the well-being of employees. The scenarios are based on the potential financial impact of the Royal Opera House's specific risks associated with Covid-19, namely the closing of the Royal Opera House in Covent Garden and the impact of social distancing on attendance and occupancy rates once the industry can ease restrictions and the Opera House can safely reopen.

Several scenarios have been considered over the course of the pandemic. The scenario felt to be most plausible at the time of signing the Annual Report has the Opera House not re-opening fully until September 2021, and until then only performing breakeven productions to either a live audience following current performance guidelines and / or streaming of performances through various media channels. A performance schedule has been identified for this scenario with assumptions for occupancy rates, and the subsequent impact of those on all areas of the Opera House. The Trustees are confident that these risks have adequate mitigation to ensure the ROH remains a going concern.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

After the closure of the Opera House a four point plan for recovery was devised which comprises an organisational restructure to save costs, the sale of certain heritage assets, a recovery fundraising campaign and an application to the Government's Cultural Recovery Fund. At the date of approving these financial statements the Trustees can confirm that the portrait of Sir David Webster by David Hockney was sold from the ROH heritage asset collection. Christie's were appointed to sell the painting and ahead of the auction date an independent third party guarantee was secured. The painting sold for £11.275m in a public auction in October 2020. The sale estimate from Christie's was £10-12m and the price realised (hammer price plus buyer's premium net of applicable fees) was £12.865m. In late November 2020, the buyer at auction was publicly announced as the former ROH Chair of Trustees, David Ross. In conclusion, the recovery fundraising campaign has started well, the Government's Cultural Recovery Fund has offered a long term loan of £21.7m, and the cost saving organisational restructure of staffing was completed as at 1 December 2020.

Underlying assumptions were updated as the pandemic progressed and more information was released by the government to the public. As of 25 May 2021 the ROH is able to put on some performances and events to the public whilst ensuring social distancing guidelines are followed. Considerations for the season planned for 2021-22 include a reluctance for audiences to return to theatres which we have reflected in a reduced financial capacity, and not returning to the pre-COVID levels until the end of the 2022-23 season. Although the full impact of the pandemic is difficult to assess with certainty, the current information available leads management to believe that the scenarios are reasonable. In particular, an extreme and highly unlikely scenario was modelled on the assumption that the Opera House would remain closed for the foreseeable future – even in this implausible situation, ROH could expect to remain a going concern.

After consideration of the scenarios and the impact of the four point plan for recovery, the Trustees consider that the Royal Opera House (Group and Parent Charitable Company) has adequate resources to continue in operational existence for the foreseeable future being a minimum of twelve months from when these financial statements are approved. For this reason the financial statements of the Group and Parent Charitable Company have been prepared on a going concern basis.

Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of the charity (Royal Opera House Covent Garden Foundation (Limited by Guarantee), incorporated in the United Kingdom with registered address and principal address of Royal Opera House, Covent Garden, London WC2E 9DD) and its subsidiaries as set out in Note 23(b). All subsidiary results are presented for their statutory financial period, which falls within three months of the year end of the charity. The results of the ROH Holdings Limited Group and Royal Opera House Enterprises Limited (Company Number 4112266) have been included in the consolidated statement of financial activities throughout the period. ROH Holdings Limited (Company Number 2580395) is the holding company of ROH Developments Limited (Company Number 2580400). In the charity's financial statements, the investment in subsidiary undertakings is stated at cost.

The Royal Opera House Endowment Fund 2000 (Charity Registration Number 1089928) has also been consolidated in full throughout the period. Since its inception the Fund has been able to make grants (directly or indirectly) for the benefit of the Royal Opera House. The extent to which the Royal Opera House benefits from the Royal Opera House Endowment Fund 2000 and the extent of grants and consideration of grants to other bodies has been reviewed annually by the Trustees since its creation. Since the beginning of the period ended 25 March 2007, the Trustees have considered it appropriate to consolidate the Royal Opera House Endowment Fund 2000 into the Royal Opera House Covent Garden Foundation Group (formerly the Royal Opera House Covent Garden Limited Group). In the Trustees' view, Royal Opera House Covent Garden Foundation has control in that it actually exercises dominant influence over the Royal Opera House Endowment Fund 2000, through influencing the operating and financial policies for the benefit of the ROH and both entities are managed on a unified basis. Also, the objects of Royal Opera House Endowment Fund 2000 are substantially confined to the benefit of Royal Opera House Covent Garden Foundation.

A separate Statement of Financial Activities, or income and expenditure account, has not been presented for the charity in accordance with Section 408 of the Companies Act 2006. The income and expenditure of the charity are detailed in note 28. A separate cash flow statement has not been presented for the charity in accordance with FRS 102 section 1.12(b).

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Public Benefit Entity

The Royal Opera House Covent Garden Foundation (Limited by Guarantee) is a Public Benefit Entity under FRS102.

Significant judgements and key sources of estimation uncertainty

Management have exercised their judgement in the following areas:

Assessing the useful lives of tangible fixed assets (see **Tangible fixed assets and depreciation** below) as well as any impairment provision required for those assets. See Note 22 for carrying values for the current and prior periods.

The valuation method of heritage assets. See **Heritage assets** below and Note 24 for more details and for carrying values for the current and prior periods.

The decision to include ROH Endowment Fund 2000 in the Group Consolidation. See **Basis of consolidation** above.

In addition, the pension actuarial assumptions (see **Pension Costs** below and Note 32) are areas of significant judgement.

Management have used estimations in the following areas:

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 26 for carrying values for the current and prior periods.

That the rate payable on the intragroup loan payable from Royal Opera House Enterprises Limited to Royal Opera House Covent Garden Foundation Limited a commercial rate of interest and that, given the decision to continue not to demand immediate payment, that the long term portion of the loan continue to be disclosed in **Debtors: amounts due after more than one year** (see Note 26).

In addition, the valuation of Investment in Programming assets (see **Intangible Fixed Assets** below and Note 21) is an area of significant judgement and estimation.

Functional Currency

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

Income

Box office and other income from the operation of the Royal Opera House is stated net of Value Added Tax and consists primarily of ticket sales together with sales of other goods and services. Revenue from ticket sales is recognised on the night of the performance.

Membership income received is recognised on a time-apportioned basis over the period to which the membership relates.

Grants and donations are 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.

Legacies are accounted for when the receipt is probable, there is evidence of entitlement and can be measured reliably. Entitlement is assessed using conditions as set out in the will of the deceased legacy owner.

Sponsorship income represents income from commercial organisations in support of specific activities. Income is recognised at the date of the event which is the point of delivery for goods or services.

Co-production income represents income from other theatre companies as a contribution towards the costs

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

of delivering a new Opera or Ballet production. Income is recognised at the date of the first performance of the production.

Grants from Arts Council England are recognised on entitlement and when their receipt is probable.

Commercial trading income and other income is recognised at the point of delivery of goods or services.

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.

Amounts due to the Royal Opera House in respect of the Theatre Tax Credit are included in the financial year to which the claim relates. These amounts are recognised in income, rather than as a tax credit or recovery of expenditure, as the intention and nature of the Theatre Tax Credit is akin to government grant income.

Payment from a trading subsidiary under Gift Aid

Royal Opera House Enterprises Limited has adopted a policy of paying all its taxable profits to its parent charity, Royal Opera House Covent Garden Foundation, under Gift Aid. These gift aid payments are recognised in Royal Opera House Enterprises Limited as distributions through equity in the financial period in which the profits arise, under the terms of the Deed of Covenant between Royal Opera House Enterprises Limited and Royal Opera House Covent Garden Foundation.

The Royal Opera House Covent Garden Foundation recognises the income in the period in which the profits of the subsidiary arise.

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 Charity. Assets are recognised only when it is probable that future economic benefits will flow to the Charity 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 notes 31(b) and 31(c).

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.

Fund accounting

Unrestricted funds are those that can be used in accordance with the charitable objectives at the discretion of the Trustees and include designated funds, representing unrestricted funds which have been earmarked for

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

particular purposes.

Restricted funds are to be used in accordance with charitable objects and specific restrictions placed by the donor. Restricted funds have been further subdivided into restricted income funds and endowment funds. Restricted income funds are expendable at the discretion of the Trustees on specific purposes as required by donors.

Endowment funds represent those assets that are required to be invested to produce income to meet expenditure, either as directed by the endowment or for general purposes.

A transfer is made between restricted capital funds, representing tangible fixed assets required to be held for restricted purposes, and unrestricted funds to match depreciation charged on those tangible fixed assets.

Cash at bank and in hand

Cash at bank and in hand 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. These include deposits with more than 24 hours' notice to access. Any cash deposits at institutions with a notice period of longer than three months are separately disclosed under Short term investments: Deposits.

Short term investments: Deposits

Cash deposits with notice periods of more than three months are separately disclosed on the balance sheet and included in investing activities for the purposes of the cash flow statement. These have a maturity date of less than one year and are held for investment purposes rather than to meet short-term cash commitments as they fall due.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Tangible fixed assets costing less than £1,500 are not capitalised and are expensed through the income and expenditure account. Depreciation is provided at annual rates on a straight-line basis to write off the cost of tangible fixed assets over their estimated useful lives.

The principal rates used are as follows:

Freehold land and buildings	1 - 10%
Equipment and vehicles	2 - 33%
Stage, production and technical equipment	2 - 20%
Other equipment	2 - 25%
Computer hardware	33%
Motor vehicles	25%

Assets in course of construction are transferred to functional tangible fixed asset categories when the asset is ready for use and depreciated thereafter.

Heritage assets

The Royal Opera House maintains the following types of heritage assets:

- Fine art
- Costumes and accessories
- Other collections

Heritage assets are carried at fair value. Fair value of the fine art collection is based on retail replacement

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

cost. Management have made reference to the latest available external valuations in forming their assessment of period end fair value. Gains and losses on revaluation are recognised through 'Other recognised gains' in the Statement of Financial Activities.

The Royal Opera House only recognises new acquisitions on the Balance Sheet where the value of these acquisitions is greater than £10,000. Purchases under £10,000 are recognised as an expense in the income and expenditure account in the period they were incurred.

Outside of those assets recognised on the balance sheet, there is an extensive collection of other items that are not valued and not included on the balance sheet. These include, but are not limited to, costumes, accessories, music scores and the audio visual collection. Before embarking on a comprehensive valuation, these assets would need to be fully catalogued, and given the extent of the items this would be a considerable and lengthy task. Also, due to the uniqueness of the majority of these assets, there is no comparable market value.

Expenditure which is required to preserve or prevent further deterioration of individual collection items is recognised in the income and expenditure account when it is incurred. The Collections department has a rolling programme of review and restoration and the budget put aside for this on an annual basis is £15,000.

Investments

Investments, excluding investments in subsidiaries, are shown at fair value as at the balance sheet date. Realised and unrealised gains on investments are recognised in the income and expenditure account.

Investments in subsidiaries are recorded at cost in the individual balance sheet of the charity.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the exchange rate ruling at balance sheet date. Transactions in foreign currency are translated at the exchange rate ruling at that date of the transaction.

Foreign currency gains and losses are recognised as resources expended in the income and expenditure account.

Intangible fixed assets

Intangible fixed assets include investment in programming costs and computer software.

Investment in programming costs are capitalised and amortised over their expected useful life, which is up to two years depending on format and the terms of licences acquired. The costs capitalised are third party costs that include capture costs, post-production costs, rights clearances and other directly attributable costs. These assets are reviewed for impairment where events or changes in circumstances indicate that the carrying amount may not be recoverable. Any anticipated losses on individual projects are expensed in the income and expenditure account.

Computer software is stated at cost less accumulated amortisation. Computer software costing less than £1,500 is not capitalised and is expensed through the income and expenditure account. Amortisation is provided at an annual rate of 33% on a straight-line basis to write off the cost of the computer software over its estimated useful life. Computer software in course of construction is transferred to the intangible asset category when the asset is ready for use, and amortised thereafter.

Basic Loans

Loans payable are included at their amortised cost and disclosed in Note 27. The long term portion is included in Creditors: amounts falling due after one year with the current portion included in Creditors: amounts falling due within one year.

Loans receivable are included at their amortised cost and disclosed in Note 26. The long term portion is included in Debtors: Amounts due after one year with the current portion included in Debtors: amounts due

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

within one year.

Expenditure

Expenditure on charitable activities comprises expenditure on productions, sales and operations of the Royal Opera House, and grants and transfers to third party organisations. Direct expenditure on productions staged is charged to costs of production and sales on the day of the first performance. Expenditure relating to productions which have not had their first performance by the period end are held on the balance sheet under the caption 'Productions in preparation.'

Expenditure on raising funds consist of direct fundraising costs and costs of commercial trading operations. These costs are recognised when incurred.

Support costs, including management and administration, and premises and depreciation costs have been allocated across expenditure on production, sales and operation, and expenditure on raising funds. Support costs are analysed in note 14.

On occasion, management decides to make redundancy or termination payments for operational reasons. These are expensed in the SOFA on an accruals basis.

Governance costs, including audit fees and legal and professional fees on statutory and governance matters, are allocated across expenditure on productions, sales and operation, and expenditure on raising funds. These are analysed in note 13.

Interest payable is shown separately in the Statement of Financial Activities and in note 27.

Any irrecoverable VAT is included as part of the cost to which it relates.

Leases

As a lessee: Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

As a lessor: 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.

Pension costs

The charity operates a pension scheme providing benefits based on final pensionable pay, which is now closed to future accrual. Pension scheme assets are measured at fair value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability method. The pension scheme liability is disclosed on the balance sheet within unrestricted funds. The actuarial gain or loss for the period is disclosed under other recognised gains and losses in the Statement of Financial Activities. The current service costs and finance charge are included within expenditure on productions, sales and operations. These movements are analysed in detail in note 32.

The group also contributes to five defined contribution schemes for dancers, singers, musicians, and administration staff. The amounts charged to the Statement of Financial Activities represent the contributions payable to the schemes during the period. The amounts are shown in the Statement of Financial Activities in the same activity as the payroll costs which relate to that activity. For amounts which relate to payroll costs within support costs, these are allocated to the relevant activity on the same basis as other support costs (see Note 14).

Any liabilities for unpaid contributions at year end are included in unrestricted creditors in the balance sheet.

Stocks

Retail items are included at the lower of cost and net realisable value.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Productions in preparation

Expenditure relating directly to a production which is incurred in advance of its staging, such as commissioning, build costs and stocks of production materials, are held in the first instance on the balance sheet and disclosed under the heading 'Productions in preparation.' These costs are subsequently charged to the income and expenditure account in the period in which the production's first performance takes place.

Gifts in kind

Investments and other assets donated to the charity are included as donated voluntary income valued at market value at the time of receipt.

Volunteers

The Royal Opera House Group benefits from the role played by volunteers, which includes assisting in certain learning and participation activities, helping with large mail-outs and some general administrative support. The Royal Opera House Volunteer Programme includes a number of volunteers in Thurrock. Donated services such as the contribution from unpaid volunteers are not recognised in the Statement of Financial Activities as the amounts involved would be impractical to measure.

Financial Instruments

Financial instruments are accounted for in accordance with FRS102. Financial instruments are recognised only when the Group and Charity becomes a party to the contractual provisions of the instrument.

The initial amount recognised is the transaction price, except for financing transactions (for example, loans below market rate or accounts where payment is deferred beyond normal terms) where the amount recognised initially is the present value of the future payments, discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost using the effective rate of interest determined at inception of the loan.

Subsequent measurement at each year end for non-financing transactions is:

- undiscounted cash receivable or payable for debt instruments due or receivable within one year (this includes intra-group balances, apart from intra-group loans, which are deemed to be repayable on demand); or
- amortised cost using the effective interest rate method for debt instruments due or receivable for more than one year; or
- fair value for investments in publicly traded shares, funds and bonds.

For financial assets measured at amortised cost, an impairment assessment is conducted at year end and if there is any objective evidence of an impairment loss, that loss is recognised in the Statement of Financial Activities immediately. Where there is subsequently objective evidence that the circumstances have improved, the impairment loss is reversed in the Statement of Financial Activities immediately, limited to what the carrying amount would have been without the initial impairment.

A financial asset and a financial liability is offset and the net amount presented in the Balance Sheet when, and only when, (a) there is currently a legally enforceable right to set off the recognised amounts; and (b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial instruments are disclosed in Note 34. See policies above for specific policies for cash at bank and in hand, debtors, creditors, investments and basic loans.

Taxation

As a charitable entity, the Royal Opera House Covent Garden Foundation (Limited by Guarantee) is exempt from corporate taxation. There are no recognised deferred tax amounts in the subsidiaries as there are no recognised significant timing differences.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Employee benefits

All employee benefits are recognised as expenses in the period in which they are incurred. Post-employment benefits, representing contributions into defined contribution plans for current employees are equally recognised as expenses in the period in which the contribution payable is exchanged for services rendered by employees. The assets of the scheme are held separately from the charity.

A termination benefit liability is recognised at the earlier of the following dates:

- when the entity can no longer withdraw the offer of those benefits or;
- when the entity recognises costs for the restricting which involves the payment of termination benefits.

2. Subsidiary undertakings

Charitable subsidiaries

The charity has one connected charity – the Royal Opera House Endowment Fund 2000. The Royal Opera House Endowment Fund 2000 is treated as a subsidiary for reasons outlined in Note 1.

Royal Opera House Endowment Fund 2000 (the "Endowment Fund") supports the work of the Royal Opera House and other organisations by raising funds to support projects which increase the appreciation and understanding of the musical arts in all forms. It is a separately registered charity, and its board has a majority of Trustees who are independent of the Royal Opera House.

The summary results for the Endowment fund are shown below:

	Endowment Fund	
	Year Ended	Year Ended
	31-Aug-20	31-Aug-19
	£'000	£'000
Income		
Donations, legacies and similar income	**620**	2,357
Investment income	**1,134**	1,482
Expenditure		
Cost of sales and administrative expenses	**(18)**	(27)
Donations and grants to other group undertakings	**(2,254)**	(2,421)
Investment managers' fees	**(261)**	(255)
(Loss) / Gains on revaluation and disposal of investments	**(232)**	1,792
Net movement in funds	**(1,011)**	2,928

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

2. Subsidiary undertakings (continued)

The assets and liabilities of the Endowment fund were:

	Endowment Fund	
	31-Aug-20	31-Aug-19
	£'000	£'000
Fixed asset investments	**38,584**	39,149
Current assets	**8,645**	11,230
Current liabilities	**(101)**	(2,239)
Total net assets	**47,128**	48,140
Total funds	**47,128**	48,140

Except for fixed asset investments which at 31 August 2020 had an historical cost of £33.3m *(25 August 2019: £29.7m)* there is no difference between the carrying values and their historical cost equivalents.

Trading subsidiaries

The charity has two trading subsidiaries – ROH Holdings Limited and Royal Opera House Enterprises Limited.

Royal Opera House Enterprises Limited ("ROHEL") is a wholly owned trading subsidiary, whose principal activities are catering to customers and staff of the Royal Opera House, the sponsorship of Royal Opera House productions, multimedia production and distribution, hire of allocated spaces within the Royal Opera House, the sale of merchandise through the Royal Opera House shop, the sale of advertising through the Royal Opera House programmes and the licensing of the Royal Opera House brands. The charity owns the entire issued share capital. The reporting date of ROHEL is the same as the charity's, which falls on the last Sunday in August each year. On 3 September 2018 the ROHEL entered into an agreement to sell the Opus Arte business. The effective date of the transaction was 31 October 2018.

ROH Holdings is a holding company and has one wholly owned subsidiary, ROH Developments Limited, a property development company. The ROH Holdings Group prepares its accounts to 31 August each year. Summary trading results of all trading subsidiaries are shown below:

	ROHEL		ROHHL	
	52 week period ended 30-Aug-20 £'000	52 week period ended 25-Aug-19 £'000	**52 week period ended 31-Aug-20 £'000**	52 week period ended 31-Aug-19 £'000
Turnover	**12,040**	19,756	**5**	5
Cost of Sales	**(8,650)**	(13,833)	**(5)**	(5)
Gross profit	**3,390**	5,923	**-**	**-**
Administration and financial expenses	**(1,456)**	(1,405)	**-**	**-**
Operating profit	**1,934**	4,518	**-**	**-**
Profit on disposal of operations	**-**	2,257	**-**	**-**
Profit before taxation	**1,934**	6,775	**-**	**-**
Taxation for current year's profits	**(367)**	(1,317)	**-**	**-**
Taxation relief for current year's profits	**367**	1,317	-	-
Net profit for the period	**1,934**	6,775	**-**	**-**
Donations under the gift aid scheme	**(1,934)**	(6,775)	**-**	**-**
Retained result in subsidiary for the period	**-**	-	**-**	**-**

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

2. Subsidiary undertakings (continued)

The assets and liabilities of each trading subsidiary were:

	ROHEL		ROHHL	
	30-Aug-20	25-Aug-19	**31-Aug-20**	31-Aug-19
	£'000	£'000	**£'000**	£'000
Intangible fixed assets	**-**	-	**320**	320
Current assets	**2,955**	4,828	**5**	10
Current liabilities	**(2,179)**	(3,852)	**(5)**	(10)
Non-current liabilities	**(600)**	(800)	**-**	**-**
Total net assets	**176**	176	**320**	320
Aggregate share capital and reserves	**176**	176	**320**	320

3. Income from operation of Royal Opera House

	53 week period ended 30-Aug-20 £'000	**53 week period ended 30-Aug-20 £'000**	52 week period ended 25-Aug-19 £'000	52 week period ended 25-Aug-19 £'000
Unrestricted funds:				
Box office receipts:				
The Royal Opera	**15,883**		28,264	
The Royal Ballet	**11,744**		15,685	
		27,627		43,949
Other income:				
Publications	**478**		821	
Other	**3,689**		4,711	
Theatre Tax Credit	**3,554**		6,072	
		7,721		11,604
UK total		**35,348**		55,553
Overseas touring receipts		**2,418**		1,308
		37,776		56,861

Other income includes £3.69m *(52 week period ended 25 August 2019: £4.71m).* This represents box office receipts from productions, other than those on the main stage, co-production income and income from production and costume hires, income from audio-visual exploitation, income from learning and participation, income from ice-cream sales and backstage tours and other income from sundry sources.

4. Grants from Arts Council England

	53 week period ended 30-Aug-20 £'000	52 week period ended 25-Aug-19 £'000
Unrestricted funds:		
Arts Council England - grant in aid	**24,213**	24,029
Restricted funds:		
Arts Council England - Bridge funding	**732**	727

Other forms of government assistance, apart from Arts Council England, included grants from the Thurrock Borough Council and other government agencies for learning and participation projects of £0.1m *(52 week period ended 25 August 2019: £0.1m)* included as other income in Note 3.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

5. Grants from the UK Government

	53 week period ended 30-Aug-19 £'000	52 week period ended 25-Aug-19 £'000
Restricted funds:		
UK Government – Coronavirus Job Retention Scheme	**12,416**	-

The UK Government's Coronavirus Job Retention Scheme (CJRS) was announced on 20th March 2020 as one of a number of support schemes for UK employers as a result of the impact of the Covid-19 pandemic. Initially the scheme was to run for three months, backdated to 1st March 2020, however it has been extended a number of times and as of the approval of these financial statements, is still in place. Initially the scheme provided grants to employers to pay 80% of a staff wage up to a total of £2,500 per person per month plus all national insurance and employer pension contributions associated with that pay. From 1st August 2020 the scheme provided grants to pay 80% of a staff wage up to a total of £2,500 per person per month but did not cover national insurance or employer pension contributions.

6. Donations, legacies and similar incoming resources

	Un-Restricted Funds	Restricted Funds	Endowment Funds	**53 week period ended 30-Aug-20**
	£'000	£'000	£'000	**£'000**
Membership	7,453	-	-	**7,453**
Events	369	-	-	**369**
Donations, gifts and legacies	15,754	5,347	167	**21,268**
	23,576	5,347	167	**29,090**

	Un-Restricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 25-Aug-19**
	£'000	£'000	£'000	**£'000**
Membership	7,911	-	-	**7,911**
Events	1,297	-	-	**1,297**
Donations, gifts and legacies	10,870	7,087	1,985	**19,942**
	20,078	7,087	1,985	**29,150**

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

7. Commercial Trading Income

	53 week period ended 30-Aug-20 £'000	52 week period ended 25-Aug-19 £'000
Unrestricted Funds		
Catering	**5,552**	9,672
Sponsorship	**1,904**	2,334
Sales of audio-visual materials	**340**	448
Cinema broadcast	**2,556**	2,282
Retail	**1,044**	4,351
Promotions and summer season	**-**	690
Venue Hire	**408**	323
Advertising	**195**	615
Property recharges	**463**	474
Licensing	**40**	44
	12,502	20,230

Following completion of the Open Up project in September 2018, we saw increased trading in catering and retail. The decrease in income from August 2019 to August 2020 is a result of the pandemic and activities ceasing from March 2020.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

8. Investment income

	Un-Restricted Funds	Restricted Funds	Endowment Funds	**53 week period ended 30-Aug-20**
	£'000	£'000	£'000	**£'000**
Dividend and interest income	564	463	-	**1,027**
Finance lease interest income	270	-	-	**270**
	834	463	-	**1,297**

	Un-Restricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 25-Aug-19**
	£'000	£'000	£'000	**£'000**
Dividend and interest income	758	676	-	**1,434**
Finance lease interest income	270	-	-	**270**
	1,028	676	-	**1,704**

Dividend and interest income is earned on funds managed (for the Royal Opera House Endowment Fund 2000) by the investment managers Stonehage Fleming Investment Management Limited, Troy Asset Management Limited and Newton Investment Management Limited, and as well as interest received on bank deposits. Finance lease interest income is derived from the leases for the retail units on the site of the Royal Opera House.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

9. Expenditure on productions, sales and operations

	Un-Restricted Funds	Restricted Funds	Endowment Funds	**53 week period ended 30-Aug-20**
	£'000	£'000	£'000	**£'000**
The Royal Opera	14,945	1,072	-	**16,017**
The Royal Ballet	9,286	1,784	-	**11,070**
Orchestra of the Royal Opera House	8,045	1,530	-	**9,575**
Royalties and hire fees	423	-	-	**423**
Production	5,378	7,380	-	**12,758**
Stage and transport	9,585	3,091	-	**12,676**
Touring expenses	1,959	-	-	**1,959**
Other production and sales costs	6,417	185	-	**6,602**
Front of House	1,439	384	-	**1,823**
Marketing and publicity	6,807	467	-	**7,274**
Education, archives & live relays	2,210	1,034	-	**3,244**
Support costs (note 14)	24,329	618	-	**24,947**
Grants (note 10)	10	-	-	**10**
Expense on pension scheme	353	-	-	**353**
	91,186	17,545	-	**108,731**

	Un-Restricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 25-Aug-19**
	£'000	£'000	£'000	**£'000**
The Royal Opera	19,090	-	-	**19,090**
The Royal Ballet	12,274	-	-	**12,274**
Orchestra of the Royal Opera House	11,119	-	-	**11,119**
Royalties and hire fees	1,281	-	-	**1,281**
Production	6,507	6,087	-	**12,594**
Stage and transport	13,709	-	-	**13,709**
Touring expenses	1,072	-	-	**1,072**
Other production and sales costs	7,729	-	-	**7,729**
Front of House	1,944	-	-	**1,944**
Marketing and publicity	6,673	257	-	**6,930**
Education, archives & live relays	3,870	598	-	**4,468**
Support costs (note 14)	28,370	43	-	**28,413**
Grants (note 10)	10	-	-	**10**
Expense on pension scheme	262	-	-	**262**
	113,910	6,986	-	**120,896**

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

9. Expenditure on productions, sales and operations (continued)

The employer cash contribution to the defined benefit pension scheme is included in the expenditure on productions, sales and in operations in the Unrestricted fund in the Statement of Financial Activities. The loss on the pension scheme above, which is recognised in the Unrestricted pension reserve in note 28, represents the difference between the cash contributions and the expense in the Statement of Financial Activities as calculated by the Scheme's actuary (refer to note 32).

10. Grants

	53 week period ended 30-Aug-20 £'000	52 week period ended 25-Aug-19 £'000
Unrestricted funds		
Grant to Royal Ballet School	**10**	10
	10	10

Grants made are in furtherance of the charity's objectives.

11. Expenditure on generating voluntary income

	Un-Restricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**53 week period ended 30-Aug-20 £'000**
Fundraising staff costs	1,615	175	-	**1,790**
Fundraising overheads	1,525	155	-	**1,680**
Support costs	1,012	25	-	**1,037**
	4,152	355	-	**4,507**

	Un-Restricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 25-Aug-19 £'000**
Fundraising staff costs	1,744	-	-	**1,744**
Fundraising overheads	1,844	156	-	**2,000**
Support costs	1,154	-	-	**1,154**
	4,742	156	-	**4,898**

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

12. Expenditure on commercial activities

	Un-Restricted Funds	Restricted Funds	Endowment Funds	**53 week period ended 30-Aug-20**
	£'000	£'000	£'000	**£'000**
Retail costs	707	-	-	**707**
Advertising and licensing costs	39	-	-	**39**
Sponsorship costs	194	-	-	**194**
Audio visual recording, production and distribution costs	122	-	-	**122**
Cinema broadcast costs	1,132	39	-	**1,171**
Property recharges	463	-	-	**463**
Catering costs	4,765	-	-	**4,765**
Other commercial costs	761	171	-	**932**
	8,183	210	-	**8,393**

	Un-Restricted Funds	Restricted Funds	Endowment Funds	**52 week period ended 25-Aug-19**
	£'000	£'000	£'000	**£'000**
Retail costs	678	-	-	**678**
Advertising and licensing costs	-	-	-	**-**
Sponsorship costs	828	-	-	**828**
Audio visual recording, production and distribution costs	424	-	-	**424**
Cinema broadcast costs	1,612	-	-	**1,612**
Property recharges	474	-	-	**474**
Catering costs	8,214	-	-	**8,214**
Other commercial costs	775	-	-	**775**
	13,005	-	-	**13,005**

13. Governance costs

	53 week period ended 30-Aug-20	52 week period ended 25-Aug-19
	£'000	£'000
Unrestricted funds		
External audit (see note 16)	**104**	103
Legal and professional costs	**364**	304
	468	407

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

14. Allocation of support costs

	Expenditure on production, sales and operations (note 9) 30-Aug-20 £'000	Expenditure on generating voluntary income (note 11) 30-Aug-20 £'000	**Total 53 week period ended 30-Aug-20 £'000**
Management and administration	5,539	230	**5,769**
Premises	9,459	393	**9,852**
Depreciation, amortisation and impairment	9,498	395	**9,893**
External audit	100	4	**104**
Legal and professional costs	349	15	**364**
	24,945	1,037	**25,982**

	Expenditure on production, sales and operations (note 9) 25-Aug-19 £'000	Expenditure on generating voluntary income (note 11) 25-Aug-19 £'000	**Total 52 week period ended 25-Aug-19 £'000**
Management and administration	6,480	263	**6,743**
Premises	11,202	455	**11,657**
Depreciation, amortisation and impairment	10,340	420	**10,760**
External audit	99	4	**103**
Legal and professional costs	292	12	**304**
	28,413	1,154	**29,567**

Directly attributable support costs are allocated to governance costs where appropriate. The remaining support costs are pro-rated between the key cost driving areas: expenditure on productions, sales and operations and expenditure on raising funds, based on their proportional costs to the overall costs.

15. Restructuring costs

	53 week period ended 30-Aug-20 £'000	52 week period ended 25-Aug-19 £'000
Unrestricted funds		
Restructuring costs	**5,816**	-
	5,816	-

In July 2020 the Royal Opera House announced a restructure of the organisation as part of a four-point plan to deal with the long-term impacts of the Covid-19 pandemic on the Royal Opera House and ensure its continued existence. A consultation process subsequently began with affected staff and the three recognised unions: Equity, the Broadcasting, Entertainment, Cinematographic and Theatre Union (BECTU) and the Musician's Union. Although the restructure was not fully complete until December 2020 we accrued the expected redundancy and associated costs of the 198 members of staff at risk at the end of the 2019/20 financial year totalling £5.8m.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

16. Total expenditure

Net (expenditure) / income is stated after charging the following:

	53 week period ended 30-Aug-20 £'000	52 week period ended 25-Aug-19 £'000
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	**79**	78
Fees payable to the charitable company's auditor for other services:		
Audit of the charitable company's subsidiaries, pursuant to legislation	**25**	25
Other services	**-**	11
Depreciation and other amounts written off:		
Tangible fixed assets - owned (note 22)	**9,402**	8,808
Amortisation of intangible fixed assets (note 21)	**2,093**	2,328
Operating leases - land and buildings	**24**	24
Interest payable	**62**	64

17. Gross transfers between funds

Gross transfers between funds		Un-Restricted General Fund £'000	Un-Restricted Designated Fund £'000	Restricted Funds £'000	Endowment Funds £'000	**53 week period ended 30-Aug-20 £'000**
Depreciation & Amortisation	*17(a)*	308	-	(308)	-	-
Fixed Asset Fund	*17(b)*	1,562	(1,007)	(555)	-	-
Other Designated Funds	*17(c)*	7,030	(7,030)	-	-	-
Endowment	*17(d)*	1,124	-	(1,124)	-	-
		10,024	(8,037)	(1,987)	-	**-**

Gross transfers between funds		Un-Restricted General Fund £'000	Un-Restricted Designated Fund £'000	Restricted Funds £'000	Endowment Funds £'000	**52 week period ended 25-Aug-19 £'000**
Depreciation & Amortisation	*17(a)*	220	-	(220)	-	-
Fixed Asset Fund	*17(b)*	4,303	(3,303)	(1,000)	-	-
Other Designated Funds	*17(c)*	1,254	(1,254)	-	-	-
Endowment	*17(d)*	1,325	-	(1,325)	-	-
		7,102	(4,557)	(2,545)	-	**-**

(a) Depreciation of £0.3m *(52 week period ended 25 August 2019: £0.2m)* was charged against unrestricted income then matched by a transfer from restricted funds. Restricted funds include those funds that have been granted specifically to finance the capital expenditure on the Bob and Tamar Manoukian Production Workshop and the Bob and Tamar Manoukian Costume Centre.

(b) A net transfer of £1.6m *(52 week period ended 25 August 2019: £4.3m)* was made to the Unrestricted General Fund. There was a transfer from Restricted Funds of £0.6m, representing amounts received for the Open Up project and other restricted capital projects during the period *(52 week period ended 25 August 2019: £1m).* There was a transfer of £1.0m to the Unrestricted Fixed Asset Fund from the Unrestricted General Fund, representing a transfer for the net increase in the charity's tangible fixed assets *(52 week period ended 25 August 2019: £3.3m).*

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

17. Gross transfers between funds (continued)

(c) A net transfer of £7.0m *(52 week period ended 25 August 2019: £1.3m)* was made from other designated funds. A transfer was made from other designated funds to Unrestricted General Funds of £7.0m representing use of funds which was planned for the 2019/20 season.

(d) Transfers of £1.1m *(52 week period ended 26 August 2018: £1.3m)* were made to Unrestricted General Funds from Restricted Funds.

18. Staff numbers and costs

The full time equivalent number of permanent and casual staff employed by the group during the period was as follows:

	Number of staff	
	53 week period ended 30-Aug-20	52 week period ended 25-Aug-19
Production	**440**	447
Orchestra	**129**	127
Royal Ballet	**143**	146
Royal Opera	**86**	88
Sales and marketing	**111**	91
Management and administration	**91**	99
Fundraising	**41**	35
Education and collections	**36**	35
Premises	**5**	5
Shop	**16**	12
	1,098	1,085

The aggregate payroll costs of these persons were as follows:

	53 week period ended 30-Aug-20 £'000	52 week period ended 25-Aug-19 £'000
Payroll Costs		
Wages and salaries	**51,070**	46,983
Social security costs	**5,560**	5,940
Other pension costs, of which:	**4,160**	4,162
-contributions to defined contribution pension schemes	2,960	3,046
-operating costs of defined benefit pension scheme	1,200	1,115
Non-PAYE payroll costs	**3,509**	3,859
	64,299	60,943

The average salary cost per employee (£41,215), excluding termination costs, is a decrease compared to prior period (£46,859) and includes our pay award for the year (on average, 1.5%) and increases for the London Living Wage. The decrease in average salary cost per employee is due to a 20% reduction in salary for all those earning £37,500 and above from May 2020 as a response to the impact of the Covid-19 pandemic.

Included in the wages and salaries are termination and redundancy payments of £417,179 *(for 52 week period ended 25 August 2019: £790,199)* that left employment up to 30th August 2020. A further £5,816,342 of termination and redundancy payments were accrued at the year-end for roles at risk of redundancy as part of the restructure announcement. See Note 15 for further details. All termination and redundancy costs are included in total payroll costs of £64.3m, as above.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

18. Staff numbers and costs (continued)

The emoluments of all employees, including employees whose emoluments exceeded £60,000 for the period, fell within the following bands:

			Number of staff 53 week period ended 30-Aug-20			Number of staff 52 week period ended 25-Aug-19		
			Performers	Artistic and General Management	**Total**	Performers	Artistic and General Management	**Total**
	up to	£59,999	195	777	972	156	759	915
£60,000	-	£69,999	49	22	71	53	27	80
£70,000	-	£79,999	13	6	19	30	10	40
£80,000	-	£89,999	7	4	11	15	3	18
£90,000	-	£99,999	2	-	2	5	1	6
£100,000	-	£109,999	2	2	4	1	3	4
£110,000	-	£119,999	2	2	4	1	1	2
£120,000	-	£129,999	1	1	2	3	2	5
£130,000	-	£139,999	3	-	3	3	-	3
£140,000	-	£149,999	2	-	2	3	1	4
£150,000	-	£159,999	-	3	3	-	2	2
£160,000	-	£169,999	1	-	1	1	1	2
£170,000	-	£179,999	-	1	1	-	1	1
£190,000	-	£199,999	-	1	1	-	-	-
£200,000	-	£209,999	-	-	-	-	1	1
£260,000		£269,999	-	1	1	-	-	-
£290,000		£299,999	-	-	-	-	1	1
£390,000	-	£399,999	-	1	1	-	-	-
£720,000	-	£729,999	-	-	-	-	1	1
			277	821	**1,098**	271	814	**1,085**

Emoluments comprise wages and salaries together with benefits in kind.

For employees in bandings from £60,000 and above, contributions of £700,737 *(for 52 week period ended 25 August 2019: £893,469)* were made during the period to defined contribution pension schemes.

Retirement benefits were accruing to 125 *(25 August 2019: 167)* of the above employees under defined contribution pension schemes, and to nil *(25 August 2019: nil)* under a defined benefit pension scheme.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

18. Staff numbers and costs (continued)

Emoluments for the key management personnel are as follows:

						53 week period ended 30-Aug-20
	Salary (£)	Fees (£)	Total Emoluments (£)	Pension (£)	National Insurance (£)	Total (£)
Sir Antonio Pappano, Music Director	68,760	321,720	390,480	5,833	53,091	449,404
Alexander Beard, CBE, Chief Executive	268,189	-	268,189	-	35,810	303,999
Kevin O'Hare, Director, The Royal Ballet	193,794	-	193,794	18,999	25,544	238,337
Oliver Mears, Director of Opera	171,901	-	171,901	6,698	22,523	201,122
	702,644	**321,720**	**1,024,364**	**31,530**	**136,968**	**1,192,862**

						52 week period ended 25-Aug-19
	Salary (£)	Fees (£)	Total Emoluments (£)	Pension (£)	National Insurance (£)	Total (£)
Sir Antonio Pappano, Music Director	115,000	613,742	728,742	10,875	99,392	839,009
Alexander Beard, CBE, Chief Executive	297,000	-	297,000	-	39,812	336,812
Kevin O'Hare, Director, The Royal Ballet	201,332	-	201,332	19,793	26,610	247,735
Oliver Mears, Director of Opera	170,000	-	170,000	5,867	22,286	198,153
	783,332	**613,742**	**1,397,074**	**36,535**	**188,100**	**1,621,709**

Emoluments for Sir Antonio Pappano comprise a salary and separately contracted fees for conducting and directing, respectively. The total level of fees varies season to season depending on the number of Royal Opera House engagements undertaken.

Key management personnel are reflected in the table above. Their compensation for the 52 week period ended 30 August 2020 included emoluments of £1.024m *(52 week period ended 25 August 2019: £1.397m)* which together with pension costs of £31,530 *(52 week period ended 25 August 2019: £36,535)* and employer contributions to national insurance of £136,968 *(52 week period ended 25 August 2019: £188,100)* came to £1.19m *(52 week period ended 25 August 2019: £1.62m).* Key management personnel also include Trustees who receive no compensation as detailed in Note 30. Key management personnel do not include all of the Executive Team as listed in the Trustees' report.

19. Profit on disposal of operations

Royal Opera House Enterprises Limited, the wholly owned trading subsidiary, entered into an agreement to sell the Opus Arte business (the label) on 3 September 2018. The effective date of the transaction was 31 October 2018. The profit on disposal of the sale was £2,257k. The discontinued operation generated revenue of £448k (see Note 7). This income has not been disclosed as a discontinued operation in the consolidated financial statements as it is not considered to be a major line of business.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

20. Net Gains on investments and on revaluation of heritage assets

Endowment Funds	**53 week period ended 30-Aug-20 £'000**	52 week period ended 25-Aug-19 £'000
Realised gains on disposal of investments	**1,759**	1,295
Unrealised (loss) / gain on revaluation of investments	**(1,990)**	497
(Loss) / Gains on investment assets	**(231)**	1,792

Unrestricted Funds	**53 week period ended 30-Aug-20 £'000**	52 week period ended 25-Aug-19 £'000
Unrealised (loss) / gains on revaluation of heritage assets	**(3,739)**	9,000
(Loss) / Gains on heritage assets	**(3,739)**	9,000

21. Intangible fixed assets

Group	**Investment in Programming £'000**	**Computer Software £'000**	**Total £'000**
Cost			
At beginning of period	**12,372**	**5,982**	**18,354**
Additions	**1,376**	**96**	**1,472**
At end of period	**13,748**	**6,078**	**19,826**
Amortisation			
At beginning of period	**11,724**	**4,632**	**16,356**
Amortisation for period	1,758	335	2,093
At end of period	13,482	4,967	18,449
Net book value			
At 30 August 2020	**266**	**1,111**	**1,377**
At 25 August 2019	648	1,350	1,998

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

21. Intangible fixed assets (continued)

	Investment in Programming	Computer Software	Total
Charity	**£'000**	**£'000**	**£'000**
Cost			
At beginning of period	**15,224**	**5,982**	**21,206**
Additions	**1,376**	**96**	**1,472**
At end of period	**16,600**	**6,078**	**22,678**
Amortisation			
At beginning of period	**14,576**	**4,632**	**19,208**
Amortisation for period	1,758	335	2,093
At end of period	16,334	4,967	21,301
Net book value			
At 30 August 2020	**266**	**1,111**	**1,377**
At 25 August 2019	648	1,350	1,998

22. Tangible fixed assets

	Freehold premises	Assets in the course of construction	Equipment & vehicles	Total
Group	**£'000**	**£'000**	**£'000**	**£'000**
Cost				
At beginning of period	210,553	1,536	88,472	300,561
Additions	153	6,598	2,311	9,062
Transfers	-	1,257	(1,257)	**-**
Disposals	(173)	**-**	(38)	(211)
At end of period	210,533	9,391	89,488	309,412
Depreciation and diminution in value				
At beginning of period	49,233	-	54,167	103,400
Charge for period	6,167	-	3,235	9,402
Disposals	(31)	-	(23)	(54)
At end of period	55,369	**-**	57,379	112,748
Net book value				
At 30 August 2020	**155,164**	**9,391**	**32,109**	**196,664**
At 25 August 2019	157,032	1,536	38,592	197,160

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Charity	Freehold premises £'000	Assets in the course of construction £'000	Equipment & vehicles £'000	Total £'000
Cost				
At beginning of period	210,553	1,536	88,450	300,539
Additions	153	6,598	2,311	9,062
Transfers	-	1,257	(1,257)	-
Disposals	(173)	-	(38)	(211)
At end of period	210,533	9,391	89,466	309,390
Depreciation and diminution in value				
At beginning of period	49,233	-	54,145	103,378
Charge for period	6,167	-	3,235	9,402
Disposals	(31)	-	(23)	(54)
At end of period	55.369	-	57,357	112,726
Net book value				
At 30 August 2020	**155,164**	**9,391**	**32,109**	**196,664**
At 25 August 2019	157,032	1,536	38,592	197,160

Assets in the course of construction represents projects in progress and equipment received but not placed in service before the period end (£9.4m).

In 2013, a fixed and floating charge lasting 30 years was provided as security for the potential repayment obligations under a grant of £10m from Arts Council England for capital projects.

In October 2014, a first deed of mortgage over the Bob and Tamar Manoukian Costume Centre and by way of first fixed charge, all its present and future plant and machinery on or serving the Property (apart from the mortgage charge) and the rents *(if any)* was provided as security for a loan of £1.5m from the Thurrock Borough Council. The current balance of the loan is £1.37m. The net book value of the Bob and Tamar Manoukian Costume Centre at 30 August 2020 was £4.3m *(25 August 2019: £4.4m).*

As part of the actuarial valuation of the pension scheme (see Note 32), the Trustee secured a charge on the Royal Opera House's main self-occupied property to help cover the cost of transferring the Scheme's liabilities to an insurance company *(up to the amount of £65.3m)* if the Royal Opera House became insolvent.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

23. Investments

(a) Group: The following investments were held through the Royal Opera House Endowment Fund 2000 at period end:

	Group 30 August 2020 £'000	Group 25 August 2019 £'000
Held with investment managers:		
- Venture funds	**358**	340
- Quoted equities	**18,381**	24,331
- Hedge funds	**291**	527
- Bonds	**8,882**	8,000
- Cash funds	**7,171**	4,140
- Gold	**3,501**	1,811
Total investment with Investment Managers	**38,584**	39,149

Movements in investments held with investment managers:

	Listed investments £'000	**Other investments £'000**	**Total 30 August 2020 £'000**
Endowment Funds			
Fair value at beginning of period	38,003	1,146	**39,149**
Additions (at cost)	1,997		**1,997**
Disposals	(1,980)	(350)	**(2,330)**
Net realised and unrealised gains	(209)	(23)	**(232)**
Fair value at end of the period	37,811	773	**38,584**
Historical cost at end of the period	32,569	761	33,330

	Listed investments £'000	**Other investments £'000**	**Total 25 August 2019 £'000 Total**
Endowment Funds			
Fair value at beginning of period	35,549	1,096	**36,645**
Additions (at cost)	997		**997**
Disposals	(285)		**(285)**
Net realised and unrealised gains	1,742	50	**1,792**
Fair value at end of the period	38,003	1,146	**39,149**
Historical cost at end of the period	28,909	761	29,670

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

(b) Charity: The following were the subsidiary undertakings of Royal Opera House Covent Garden Foundation as at 30 August 2020:

	Country of incorporation	Principal activity	Percentage of shares held
Subsidiary undertaking			
ROH Holdings Limited	UK	Holding company	100%
ROH Developments Limited	UK	Property development	100%
ROH Pension Trustee Limited	UK	Trustee company	100%
ROH Productions Limited	UK	Theatre productions	100%
Royal Opera House Enterprises Limited	UK	Catering / Sponsorship / Multimedia production and distribution/ Retail / Venue Hire / Licensing of brand	100%

The issued share capital in ROH Holdings Limited (which is the holding company for ROH Developments Limited) is 2 £1 shares.

ROH Pension Trustee Limited is a non-trading subsidiary. The issued share capital is 100 £1 shares.

ROH Productions Limited has been dormant since incorporation.

The issued share capital in Royal Opera House Enterprises Limited is 125,987 £1 shares *(125,987 £1 shares at 25 August 2019).* The remaining balance is related to the original acquisition of Royal Opera House Enterprises Limited.

The Royal Opera House Endowment Fund 2000 is a connected charity of the Royal Opera House Covent Garden Foundation. See Note 2 for further details.

Investment in Royal Opera House Enterprises Limited:

Unrestricted Funds	**Charity 30 August 2020 £'000**	**Charity 25 August 2019 £'000**
Cost		
At beginning and end of period	**6,676**	**6,676**
Net book value		
At beginning of period	**6,676**	**6,676**
At end of period	6,676	6,676

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

24. Heritage assets

(a) Tangible fixed assets – heritage assets

	Fine art	Costumes & accessories	Other collections	Total 30 August 2020
Unrestricted Funds Group and Charity	**£'000**	**£'000**	**£'000**	**£'000**
Cost or valuation				
At beginning of period	17,874	1,477	1,179	20,530
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	(3.725)	-	(14)	(3,739)
At end of period	**14,149**	**1,477**	**1,165**	**16,791**
At beginning of period	17,874	1,477	1,179	20,530

The external valuers for the Royal Opera House, Mark Peters, Senior General Valuer and Siobhan Tyrell, Jewellery Specialist and Senior General Valuer of Gurr Johns, valued the entirety of the fine art collection in August 2018, on the basis of retail replacement values (RRV). RRV represents the value used for insurance, based on replacement in the retail market, or where appropriate in the second-hand retail market with items of a similar nature, age, condition and quality.

Included in the fine art collection is a painting by David Hockney, Portrait of Sir David Webster with Tulips. At August 2020 the painting was revalued from £15m to £11.275m reflecting an estimated valuation of between £10-£12m placed on it by Christie's for the planned sale of the painting. In October 2020 the painting was sold at auction to David Ross, the former Chair of the Royal Opera House. Refer to Note 30 for details of the sale of this painting.

Costumes and accessories and other collections have internal valuations. Where the valuation is internal, it has been provided by Julia Creed, Head of Collections. Julia Creed has a Master's degree in Archives and Records Management and has worked as an archivist at the Royal Opera House since 2004; since April 2015 she has been Head of Collections.

(b) Five year financial summary of heritage asset transactions:

Unrestricted Funds	30 August 2020 £'000	25 August 2019 £'000	26 August 2018 £'000	27 August 2017 £'000	28 August 2016 £'000
Purchases/Commissions					
Fine art	**-**	**-**	**-**	-	-
Costumes & accessories	**-**	**-**	**-**	-	-
Other collections	**-**	**12**	**-**	-	-
Donations					
Fine art	**-**	**-**	**-**	-	-
Costumes & accessories	**-**	**-**	**-**	-	-
Other collections	**-**	**-**	**-**	-	-
Total additions	-	12	-	-	-

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

24. Heritage assets (continued)

(c) Further information on Heritage Assets:

The Royal Opera House maintains three collections as follows:

The fine art collection consists of paintings, other pictures and drawings, furniture, furnishings, sculpture and pottery that have been donated and are on public display throughout the Royal Opera House.

The costumes and accessories collection consists of over 4,000 individual items worn by artists at the Royal Opera House. The collection contains some items from the late 19th and early 20th centuries, but most date from 1946 to the present. The majority of the collection is costumes, with a sizeable number of hats, headdresses and jewellery, and a growing number of shoes, boots and wigs.

Other collections include photographic collections, design collections, a portrait of Pavarotti and an autographed Donizetti score for *Elisabetta,* none of which are on permanent public display.

All assets are maintained and managed through the heritage asset register which is overseen by the Head of Collections.

Most new acquisitions are made through donation. A limited number of acquisitions are purchased where assets enhance the overall collections maintained by the charity. The Royal Opera House would not normally dispose of any heritage assets in their normal course of business.

The preservation of assets is the responsibility of the Head of Collections who holds an annual budget to maintain the quality of the assets.

The Charity exhibits assets throughout the Opera House and through exhibitions. In addition, many assets may be viewed electronically through the catalogue website at www.rohcollections.org.uk.

25. Stocks

	Group 30 August 2020 £'000	Group 25 August 2019 £'000	**Charity 30 August 2020 £'000**	Charity 25 August 2019 £'000
Goods for resale	**422**	303	**-**	**-**
	447	303	**-**	-

During the 53-week period ended 30 August 2020, £650,524 *(52 week period ended 25 August 2019: £650,800)* of stock was expensed through the Statement of Financial Activities.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

26. Debtors

	Group 30 August 2020	Group 25 August 2019	**Charity 30 August 2020**	Charity 25 August 2019
	£'000	£'000	**£'000**	£'000
Amounts due after more than one year				
Finance lease debtor	**5,430**	5,430	**-**	-
Amounts due from subsidiary and associated undertakings	**-**	-	**600**	800
Prepayments	**1,330**	1,805	**-**	-
	6,760	7,235	**600**	800

	Group 30 August 2020	Group 25 August 2019	**Charity 30 August 2020**	Charity 25 August 2019
	£'000	£'000	**£'000**	£'000
Amounts due within one year				
Trade debtors	**4,198**	6,188	**3,473**	4,300
Amounts due from subsidiary and associated undertakings	**-**	-	**2,074**	5,480
Accrued income	**12,612**	9,741	**12,376**	8,464
Prepayments	**1,374**	1,224	**1,091**	927
Finance lease debtor	**270**	270	**84**	92
	18,454	17,423	**19,098**	19,263

Amounts due from subsidiary and associated undertakings after more than one year in the Charity represent a loan from Royal Opera House Covent Garden Foundation to Royal Opera House Enterprises Limited, with interest charged at a rate of 2% above the Bank of England base rate.

The expected repayments on the loan are as follows:

	Capital	Interest	**Total**
			52 Week Period Ended 30-Aug-20
	£'000	**£'000**	**£'000**
Due within one year	200	22	**222**
Due between one year and two years	200	17	**217**
Due between two years and five years	200	17	**217**
	600	**56**	**656**

The finance lease debtor represents a 5% income interest in the leases for the retail units on the site of the Royal Opera House.

Reconciliation between gross investment in a lease and the present value of minimum lease payments receivable is as follows:

	Group 30 August 2020	Group 25 August 2019
	£'000	£'000
Gross investment in a finance lease at the end of the period	59,782	60,056
Unearned finance income for the period	(54,082)	(54,356)
Present value of minimum lease payments at the end of the period	5,700	5,700

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

26. Debtors (continued)

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

There are no unguaranteed residual values accruing to the lessor and no accumulated allowance for uncollectible minimum lease payments. Contingent rents were £53k *(52 week period ended 25 August 2019: £66k).*

27. Creditors

Amounts falling due within one year

	Group 30 August 2020	Group 25 August 2019	**Charity 30 August 2020**	Charity 25 August 2019
	£'000	£'000	**£'000**	£'000
Trade creditors	**2,833**	1,754	**2,807**	1,686
Taxation and social security	**1,724**	3,068	**1,724**	3,068
Accruals	**20,027**	14,582	**19,912**	14,238
Deferred income	**9,502**	19,770	**9,170**	19,306
	34,086	39,174	**33,613**	38,298

	Group 30 August 2020 £'000	Group 25 August 2019 £'000	**Charity 30 August 2020 £'000**	Charity 25 August 2019 £'000
Deferred income at start of period	**19,770**	21,965	**19,306**	21,684
Box office receipts, subscription and donations received	**48,813**	68,873	**43,091**	58,624
Released to statement of financial activities	**(59,081)**	(71,068)	**(53,227)**	(61,002)
Deferred income at end of period	**9,502**	19,770	**9,170**	19,306
Comprising:				
Advanced bookings	**-**	9,765	**-**	9,765
Subscriptions and donations	**6,309**	8,640	**6,309**	8,640
Other deferred income	**3,193**	1,365	**2,861**	901

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

27. Creditors (continued) Amounts falling due after one year

	52 Week Period Ended 30-Aug-20 £'000	52 Week Period Ended 25-Aug-19 £'000
Balance at the beginning of the year	**1,405**	1,443
Amounts repaid	**(102)**	(102)
Interest payable	**62**	64
Balance at the end of the year	**1,365**	1,405
Less amounts disclosed in creditors: amounts falling due within one year	**-**	**-**
Balance at the end of the year falling due after one year	**1,365**	1,405

The table below shows the amounts and timings of repayments due under the terms of the loan.

	Capital	Interest	**Total**	Capital	Interest	**Total**
			52 Week Period Ended 30-Aug-20			**52 Week Period Ended 25-Aug-19**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Due within one year	43	59	**102**	40	62	**102**
Due between one year and two years	45	57	**102**	43	59	**102**
Due between two years and five years	147	160	**307**	254	53	**307**
Due after five years	1,130	409	**1,539**	1,033	504	**1,537**
	1,365	685	**2,050**	1,370	678	**2,048**

In October 2014, a first deed of mortgage over the Bob and Tamar Manoukian Costume Centre and by way of first fixed charge, all its present and future plant and machinery on or serving the Property (apart from the mortgage charge) and the rents *(if any)* was provided as security for a loan of £1.5m from the Thurrock Borough Council. The current balance of the loan is £1.37m. The net book value of the Bob and Tamar Manoukian Costume Centre at 30 August 2020 was £4.3m *(25 August 2019: £4.4m).*

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

28. Statement of Funds – Group

	At 25 August 2019	Incoming Resources	Outgoing Resources	Other gains/ (losses)	Transfers	At 30 August 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted General fund	4,546	98,891	(109,046)	-	10,024	4,415
Unrestricted Revaluation fund	11,447	-	-	(3,739)	-	7,708
Unrestricted Designated funds:						
Unrestricted Fixed Asset Fund	185,997	-	-	-	(1,062)	184,935
Unrestricted Heritage Asset Fund	9,084	-	-	-	-	9,084
Unrestricted Future Projects Fund	12,674	-	-	-	(7,030)	5,644
Unrestricted Funds before pension reserve	**223,748**	98,891	(109,046)	(3,739)	1,932	**211,786**
Unrestricted: pension scheme liability	**(28,350)**	**-**	**(353)**	**(7,601)**	**-**	**(36,304)**
Total unrestricted funds	**195,398**	**98,891**	**(109,399)**	**(11,340)**	**1,932**	**175,482**
Restricted funds:						
Thurrock Capital Fund	9,537	-	-	-	(308)	9,229
Production Fund	-	4,847	(4,847)	-	-	-
Coronavirus Job Retention Scheme	-	12,416	(12,416)			
Open Up Project Fund	-	500	-	-	(500)	-
Arts Council England Bridge programme fund	322	732	(664)	-	-	390
Arts Council England China skills exchange	183	-	(19)	-	-	164
ROH Holdings Limited	105	-	-	-	-	105
Endowment Restricted Income Fund	3,834	463	(155)	156	(1,124)	3,174
Special Projects	92	-	(9)		-	83
Total restricted funds	**14,073**	**18,958**	**(18,110)**	156	**(1,932)**	**13,145**
Endowment funds	**43,647**	**167**	**-**	**(387)**	**-**	**43,427**
Total funds	**253,118**	**118,016**	**(127,509)**	**(11,571)**	**-**	**232,054**

Unrestricted Funds: Unrestricted funds are segregated between general funds (representing free reserves and unrestricted general funds held in trading subsidiaries) and designated funds. The three designated funds at period end were the Fixed Asset Fund which is set at a level equivalent to the charity's fixed assets and intangible fixed assets (plus approved capital expenditure in the 19/20 season carried over to the 20/21 season), the Heritage Asset Fund which is equivalent to the charity's heritage assets and the Designated Future Projects Fund. The Designated Future Projects Fund represents funds earmarked for specific future projects. The pension scheme liability is disclosed in accordance with FRS 102.

Restricted Funds: The Thurrock Capital Fund has been established to hold funding received in the development of both the Bob and Tamar Manoukian Production Workshop and the Bob and Tamar Manoukian Costume Centre in Thurrock. The Production Fund represents donations received which are restricted for the purpose of specific productions. The Open Up Project Fund has been established to hold funding received towards the Open Up Project, a capital project intended to enhance audiences' experience of our work and inspire wider interest and engagement. The Bridge Programme Fund represents funding received from Arts Council England for improving the delivery of arts opportunities for children and young people, acting as a bridge between the arts and education sectors in Thurrock, Essex, Southend, Hertfordshire, Bedfordshire, Luton and North Kent. The Endowment Restricted Income Fund represents funds expendable on specific purposes as required by donors.

Endowment Funds: The balance above represents restricted capital reserves held by ROH Endowment Fund 2000.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

28. Statement of Funds (continued) – Charity

	At 25 August 2019	Incoming Resources	Outgoing Resources	Other gains/ (losses)	Transfers	At 30 August 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted General fund	4,615	90,508	(99,407)	-	8,900	4,616
Unrestricted Revaluation fund	11,447	-	-	(3,739)	-	7,708
Unrestricted Designated funds:						
Unrestricted Fixed Asset Fund	191,776	-	-	-	(1,062)	190,714
Unrestricted Heritage Asset Fund	9,084	-	-	-	-	9,084
Unrestricted Future Projects Fund	12,674	-	-	-	(7,030)	5,644
Unrestricted Funds before pension reserve	**229,596**	90,508	(99,407)	(3,739)	808	**217,766**
Unrestricted: pension scheme liability	**(28,350)**	**-**	**(353)**	**(7,601)**	**-**	**(36,304)**
Total unrestricted funds	**201,246**	**90,508**	**(99,760)**	**(11,340)**	**808**	**181,462**
Restricted funds:						
Thurrock Capital Fund	9,529	-	-	-	(308)	9,221
Production Fund	-	5,971	(5,971)	-	-	-
Coronavirus Job Retention Scheme	-	12,416	(12,416)	-	-	-
Open Up Project Fund	-	500	-	-	(500)	-
Arts Council England Bridge programme fund	322	732	(664)	-	-	390
Arts Council England China skills exchange	183	-	(19)	-	-	164
Special Projects	93	-	(9)		-	84
Total restricted funds	**10,127**	**19,619**	**(19,079)**	-	**(808)**	**9,859**
Total funds	**211,373**	**110,127**	**(118,839)**	**(11,340)**	**-**	**191,321**

29. Share capital

The charity is limited by guarantee and therefore has no share capital. The liability of the members of the charity is limited to £1 each. At 30 August 2020 there were 15 members *(25 August 2019: 16).*

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

30. Connected charities and other related party transactions

Connected charities

Royal Opera House Endowment Fund 2000 - registered charity No 1089928

During the period the charity received grants of £2.3m *(52 week period ended 25 August 2019: £2.4m)* from Royal Opera House Endowment Fund 2000 in furtherance of its charitable objectives. At 30 August 2020, the Royal Opera House Endowment Fund 2000 owed £0.1m to the charity *(25 August 2019: £2.2m).*

The above charity is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Trading subsidiaries

Royal Opera House Enterprises Limited

During the period the charity received a loan repayment of £0.2m *(52 week period ended 25 August 2019: £0.2m),* a royalty payment of £1.5m *(52 week period ended 25 August 2019: £2.1m)* and a gift aid payment of £1.9m *(52 week period ended 25 August 2019: £6.8m)* from Royal Opera House Enterprises Limited. At 30 August 2020, Royal Opera House Enterprises Limited owed £2.0m to the charity *(25 August 2019: £4.0m).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Royal Opera House Developments Limited

During the period the charity received gift aid payments of £511 *(52 week period ended 25 August 2019: £552)* from Royal Opera House Development Limited in furtherance of its charitable objectives. At 30 August 2020, Royal Opera House Developments Limited owed £0.1m to the charity *(25 August 2019: £0.1m).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Royal Opera House Holdings Limited

During the period the charity received £5,000 *(52 week period ended 25 August 2019: £5,000)* from Royal Opera House Development Limited in respect of audit fees. At 30 August 2020, Royal Opera House Holdings Limited owed £5,000 to the charity *(25 August 2019: £10,000).*

The above trading subsidiary is based at the Royal Opera House, Covent Garden, London WC2E 9DD.

Other related party transactions

At the Board meeting on 13th October 2020 the Trustees agreed to sell the portrait of Sir David Webster by David Hockney as part of the four point recovery plan. On 22 October 2020 the portrait was sold from the ROH heritage asset collection. Christie's were appointed to sell the painting and ahead of the auction date an independent third party guarantee was secured. The painting sold for £11.275m in a public auction in October 2020. The sale estimate from Christie's was £10-12m and the price realised (hammer price plus buyer's premium net of applicable fees) was £12.865m. In late November 2020, the buyer at auction was publicly announced as the former ROH Chair of Trustees, David Ross.

No other trustee had an interest in any contract or transaction with the charity or its subsidiaries in the period ended 30 August 2020. During the period no trustees received any remuneration from the charity or its subsidiaries and no trustees were reimbursed for personally-incurred expenses which were necessary to carry out trustee duties (2019: nil). The aggregate amount of unrestricted donations received from trustees was £1.982m *(52 week period ended 25 August 2019: £1.523m).* Of this amount, £1.074m *(52 week period ended 25 August 2019: £0.71m)* was received from trustees of the ROH Endowment Fund 2000.The charity undertakes transactions in its normal course of business with its subsidiaries. These transactions are carried out on an arms-length basis.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

31. Commitments

(a) The Group has future minimum commitments under non-cancellable operating leases as follows:

	30-Aug-20 Land and Buildings £'000	25-Aug-19 Land and Buildings £'000
Operating leases payable:		
Not later than one year	**12**	23
Later than one year and not later than five years	**5**	5
Later than five years	**145**	146
	162	174

(b) The group has entered into contracts with guest artists and suppliers in respect of future productions to be staged at the Royal Opera House. Commitments in respect of these contracts which are not reflected in the balance sheet are:

	30-Aug-20 £'000	25-Aug-19 £'000
Less than one year	**58**	7,733
In the second to fifth years inclusive	**3,746**	5,814
	3,804	13,547

(c) The group has capital commitments for the Fly System project which are not reflected in the balance sheet:

	30-Aug-20 £'000	25-Aug-19 £'000
Less than one year	**2,447**	3,561
In the second to fifth years inclusive	**-**	1,910
	2,447	5,471

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

32. Pension scheme

The Royal Opera House operates a defined benefit pension scheme, the Royal Opera House Pension Scheme. The Scheme's funds are administered by the Trustee and are independent of the ROH's finances. Contributions are paid to the Scheme in accordance with the Schedule of Contributions agreed between the Trustee and the ROH.

The group also contributes to five defined contribution schemes. Two are sponsored by Arts Council England and Equity (for dancers and singers) and one by the Musicians' Union (for musicians). Two further defined contribution scheme arrangements exist for other staff groups. Contributions to these and other schemes amounted to £2.960m *(52 week period ended 25 August 2019: £3.047m).*

Following the actuarial valuation as at 5 April 2012, the Trustee and ROH agreed to reduce the exposure to future pension risk by freezing Pensionable Salary for any pension accrued after 30 April 2013. As part of the actuarial valuation, the Trustee secured a charge on the ROH's main self-occupied property to help cover the cost of transferring the Scheme's liabilities to an insurance company *(up to the amount of £65.3m)* if the ROH became insolvent.

The funding plan is for the Scheme to hold assets equal to the value of the benefits earned by employees, based on a set of assumptions used for funding the Scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against this funding plan, then the Royal Opera House and Trustee agree on deficit contributions to meet this deficit over a period. As a part of the actuarial valuation with an effective date of 5 April 2018 the Trustee and the Royal Opera House have agreed that the Royal Opera House will make contributions to the scheme of £0.85m per annum from 30 April 2018 until 31 January 2037, increasing by 3.5% per annum. As a result of the Covid-19 pandemic, the contributions due in April and July 2020 have been deferred. The Royal Opera House also makes contributions of £0.3m per annum to cover the expenses of running the Scheme.

The results of the formal actuarial valuation as at 5 April 2018 was updated to the accounting date by an independent qualified actuary in accordance with FRS 102, allowing for contributions, benefit payments made, and changes in market conditions. The results, based on assumptions used for FRS102, are as follows:

The amount included in the balance is as follows:

	30-Aug-20	25-Aug-19
	£'000	£'000
Fair value of plan assets	71,544	74,796
Present value of defined benefit obligation	(107,848)	(103,146)
Net (liability)/asset recognised in the balance sheet	(36,304)	(28,350)

The movement in net defined benefit liability is as follows:

	52 week period ended 30-Aug-20	52 week period ended 25-Aug-19
	£'000	£'000
Opening net defined benefit liability	**28,350**	19,659
Cost in income or expenditure	**951**	1,460
Employer contributions	**(598)**	(1,198)
Amount recognised outside profit or loss	**7,601**	8,429
Closing net defined benefit liability	**36,304**	28,350

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

32. Pension scheme (continued)

The amounts recognised in income or expenditure, in the Statement of Financial Activities are as follows:

	52 week period ended 30-Aug-20	52 week period ended 25-Aug-19
	£'000	£'000
Past service cost	**-**	512
Administration expenses	**388**	414
Interest expense	**563**	534
Total expense recognised in income or expenditure	**951**	1,460

Movement in present value of defined benefit obligation is as follows:

	52 week period ended 30-Aug-20	52 week period ended 25-Aug-19
	£'000	£'000
Opening defined benefit obligation	**(103,146)**	(89,164)
Past service cost	**-**	(512)
Interest on obligation	**(2,057)**	(2,449)
Actuarial losses	**(5,655)**	(13,980)
Benefits paid	**3,010**	2,959
Closing defined benefit obligation	**(107,848)**	(103,146)

Movement in the fair value of the plan assets is as follows:

	52 week period ended 30-Aug-20	52 week period ended 25-Aug-19
	£'000	£'000
Opening fair value of plan assets	**74,796**	69,505
Interest on plan assets	**1,494**	1,915
Actual return less interest on plan assets	**(1,946)**	5,551
Administration expenses	**(388)**	(414)
Contributions by the employer	**598**	1,198
Benefits paid	**(3,010)**	(2,959)
Closing fair value of plan assets	**71,544**	74,796

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

32. Pension scheme (continued)

The current allocation of the Scheme's assets is as follows:

	30-Aug-20 Fair value	25-Aug-19 Fair value	26-Aug-18 Fair value
Asset distribution and expected return	**£'000**	£'000	£'000
Equities	**20,270**	26,251	29,024
Bonds	**14,281**	8,266	8,184
Property	**1,626**	1,730	1,721
Diversified Growth Fund	**14,413**	14,380	13,240
Liability Driven Investment Fund	**19,990**	23,605	17,905
Cash and net current assets	**964**	564	(569)
Total	**71,544**	74,796	69,505

The Scheme does not invest directly in property occupied by the charity or in financial securities issued by the charity.

The following table sets out the significant assumptions used for the plan:

Assumptions	**30-Aug-20**	25-Aug-19	26-Aug-18
Retail Prices Index Inflation	2.90%	3.20%	3.20%
Consumer Prices Index Inflation	2.10%	2.10%	2.10%
Discount rate	1.60%	2.00%	2.80%
Pension increases (according to increases under the scheme rules)	2.5/3.3/2.8/2.0% pa	2.5/3.5/3.1/2.1% pa	2.5/3.5/3.1/2.1% pa
Salary growth	n/a	n/a	n/a
Life expectancy of male aged 65 at the accounting date	21.8 years	21.7 years	21.8 years
Life expectancy of male aged 65 at 20 years from the accounting date	23.1 years	23.0 years	23.2 years

Future agreed contributions from the employer to be made to fund the deficit of the defined benefit scheme are as follows:

	£'000
Due within one year	873
Due between one year and two years	903
Due between two years and five years	2,904
Due after five years	15,005

Following the High Court judgement in the Lloyds Bank Group court case on 26 October 2018, the defined benefit obligation has been increased to make allowance for the additional liabilities expected to arise as a result of GMP equalisation. Given the current uncertainties around the eventual cost of removing inequalities due to GMPs, the allowance is only an estimate.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

33. Cash flows

a) Reconciliation of net outgoing resources to net cash inflow from operating activities

	52 Week Period Ended 30-Aug-20	52 Week Period Ended 25-Aug-19
	£'000	£'000
Net expenditure for the reporting period	**(9,724)**	(2,113)
Defined benefit pension scheme expense	**353**	262
Investment and finance interest expense	**(1,297)**	(1,704)
Interest payable	**62**	64
Gains / (Losses) on investments	**232**	(1,792)
Depreciation charge	**9,402**	8,808
Amortisation of intangible fixed assets	**2,093**	2,388
Loss on disposal of heritage asset	**-**	31
Profit on disposal of operations	**-**	(2,257)
Decrease / (Increase)in productions in preparation	**1,712**	(867)
(Increase) / Decrease in stock	**(119)**	277
Increase in debtors	**(554)**	(1,185)
Decrease in creditors	**(5,095)**	(3,159)
Net cash provided by operating activities	**(2,935)**	(1,247)

b) Cash outflow from investing activities

	52 Week Period Ended 30-Aug-20	52 Week Period Ended 25-Aug-19
	£'000	£'000
Capital expenditure on tangible fixed assets	**(8,901)**	(4,970)
Capital expenditure on intangible fixed assets	**(1,472)**	(2,831)
Additions of investment (at cost)	**(1,997)**	(997)
Capital expenditure on heritage assets	**-**	12
Disposals of investments	**2,330**	286
Proceeds from disposal of operations	**-**	2,257
Finance lease interest and contingent rents received	**270**	270
Interest income received	**1,027**	1,434
Redemption / (Investment) of Short term Investments: Deposits	**12,500**	(2,000)
Net cash used in investing activities	**3,757**	(6,563)

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

33. Cash flows (continued)

c) Cash inflow from financing activities

	52 Week Period Ended 30-Aug-20 £'000	52 Week Period Ended 25-Aug-19 £'000
Cash outflow on repayment of borrowings	(102)	(102)
Net cash used in financing activities	**(102)**	(102)

d) Reconciliation of cash at bank and on hand per Charity's balance sheet and cash and cash equivalents per Group's cash flow statement

	Unrestricted	**Restricted**	**Total 30 August 2020**
	£'000	**£'000**	**£'000**
Cash at bank and in hand per Charity's balance sheet	**20,440**	-	**20,440**
Cash at bank and in hand in group undertakings			
ROH Endowment Fund 2000	1,768	1,029	**2,797**
Royal Opera House Enterprises Limited	192	-	**192**
Royal Opera House Holdings Limited	-	-	**-**
Royal Opera House Developments Limited	-	371	**371**
Cash and cash equivalents per Group's cash flow statement	**22,400**	1,400	**23,800**

	Unrestricted	**Restricted**	**Total 25 August 2019**
	£'000	**£'000**	**£'000**
Cash at bank and in hand per Charity's balance sheet	**17,830**	**-**	**17,830**
Cash at bank and in hand in group undertakings			
ROH Endowment Fund 2000	2,097	2,243	**4,340**
Royal Opera House Enterprises Limited	539	-	**539**
Royal Opera House Holdings Limited	-	-	**-**
Royal Opera House Developments Limited	-	371	**371**
Cash and cash equivalents per Group's cash flow statement	**20,466**	2,614	**23,080**

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

33. Cash flows (continued)

d) Reconciliation of net debt

	At 27 August 2019	Cash flows	At 30 August 2020
	£000	£000	£000
Cash	23,080	720	23,800
Cash equivalents	12,500	(12,500)	-
	35,580	(11,780)	23,800
Loans falling due within one year	(102)	102	(102)
Loans falling due after more than one year	(2,050)	-	(1,948)
Finance lease obligations	-	-	-
TOTAL	**33,428**	**(11,678)**	**21,750**

34. Financial Instruments

Carrying amount, income, expense, gains and losses of the Group's Financial Instruments

Group	Carrying Amount Group 30 August 2020 £'000	Income earned Interest income/ (expense) £'000	Dividend income/ (expense) £'000	Net gains/ (losses) including changes in fair value £'000	Carrying Amount Group 25 August 2019 £'000	Income earned Interest income/ (expense) £'000	Dividend income/ (expense) £'000	Net gains/ (losses) including changes in fair value £'000
Measured at fair value through Statement of Financial Activities								
Financial Assets	**38,584**	**-**	**863**	**(232)**	**39,149**	**-**	**1,212**	**1,793**
Investments	38,584	-	863	(232)	39.149	-	1,212	1,793
Measured at undiscounted cash receivable/(payable)								
Financial Assets	**31,279**	**164**	**-**	**-**	**45,730**	**222**	-	**-**
Trade debtors	4,199	-	-	-	6,188	-	-	-
Accrued income & Other Debtors	3,280	-	-	-	3,962	-	-	-
Cash and cash equivalents	23,800	-	-	-	23,080	-	-	-
Short term investments: Deposits	-	164	-	-	12,500	222	-	-
Financial Liablities	**(22,860)**	**-**	**-**	**-**	**(16,336)**	**-**	**-**	**-**
Trade creditors	(2,833)	-	-	-	(1,754)	-	-	-
Accruals	(20,027)	-	-	-	(14,582)	-	-	-
Measured at amortised cost								
Financial Liablities	**(1,365)**	**(62)**	**-**	**-**	**(1,405)**	**(64)**	**-**	**-**
Mortgage loan	(1,365)	(62)	-	-	(1,405)	(64)	-	-

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

34. Financial Instruments (continued)

Financial assets carried at fair value (Investments) are measured at the quoted market price in an actively traded market. All investments are managed by reputable investment managers. Of the carrying amount at 30 August 2020 of £38.6m *(25 August 2019: £39.1m),* £18.0 *(25 August 2019: £15.2m)* are invested in markets outside of the UK. The changes to the fair value of those investments are all as a result of market risk (including foreign exchange risk). Immaterial amounts are due to credit risk. An immaterial liquidity risk exists due to the remote risk of not being able to repatriate funds.

Carrying amount, income, expense, gains and losses of the Charity's Financial Instruments

Charity	**Carrying Amount**		**Income earned**		Net gains/ (losses)		**Carrying Amount**		**Income earned**		Net gains/ (losses)	
	Charity 30 August 2020 £'000		Interest income/ (expense) £'000	Dividend income/ (expense) £'000		including changes in fair value £'000	**Charity 25 August 2019 £'000**		Interest income/ (expense) £'000	Dividend income/ (expense) £'000		including changes in fair value £'000
Measured at undiscounted cash receivable/(payable)												
Financial Assets	**29,032**		**193**	**-**		**-**	**42,884**		**259**	**-**		**-**
Trade debtors	3,474		-	-	-	-	4,300		-	-	-	-
Amounts due from subsidiary and associated undertakings	2,074		7	-	-	-	5,480		6	-	-	-
Accrued income & Other Debtors	3,044		-	-	-	-	2,685		-	-	-	-
Cash and cash equivalents	20,440		-	-	-	-	17,830		-	-	-	-
Short term investments: Deposits	-		186	-		-	12,500		253	-		-
Financial Liablities	**(22,719)**		**-**	**-**		**-**	**(15,924)**		**-**	**-**		**-**
Trade creditors	(2,807)		-	-	-	-	(1,686)		-	-	-	-
Accruals	(19,912)		-	-	-	-	(14,238)		-	-	-	-
Measured at amortised cost												
Financial Assets	**600**		**28**	**-**		**-**	**800**		**33**	**-**		**-**
Amounts due from subsidiary undertaking	600		28	-	-	-	800		33	-	-	-
Financial Liablities	**(1,365)**		**(62)**	**-**		**-**	**(1,405)**		**(64)**	**-**		**-**
Mortgage loan	(1,365)		(62)	-		-	(1,405)		(64)	-		-

The financial asset measured at amortised cost above represents an inter-company loan between Royal Opera House Enterprises Limited (as borrower) and its holding company, Royal Opera House Covent Garden Foundation (Limited by Guarantee), entered into in January 2010. The unsecured loan bears interest at 2% above the Bank of England base rate, which management assess to be a commercial rate of interest. Due to the commercial rate of interest, the present value of the future cash flows approximates the carrying amount and thus the loan presents no current pricing risk. As the interest rate is a variable rate, the lender and borrower are exposed to interest rate risk.

35. Short term investments: Deposits

	Group 30-Aug-20 £'000	Group 25-Aug-19 £'000	**Charity 30-Aug-20 £'000**	Charity 25-Aug-19 £'000
Short term investments: Deposits	-	12,500	-	12,500

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

36. Consolidated statement of financial activities *for the 52 week period ended 25 August 2019*

	Note	Total Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	52- week period ended 25-Aug-19 Total Funds £'000
Income and endowments from:					
Charitable activities					
Operation of Royal Opera House (including box office)	3	**58,930**	-	**-**	**58,930**
Donations and legacies					
Donations, legacies and similar incoming resources	6	**20,078**	**7,087**	**1,985**	**29,150**
Grants from Arts Council England	4	**24,029**	**727**	**-**	**24,756**
Other trading activities					
Commercial trading income	7	**18,161**	**-**	**-**	**18,161**
Investments	8	**1,028**	**676**	**-**	**1,704**
Total income and endowments		**122,226**	**8,490**	**1,985**	**132,701**
Expenditure on:					
Charitable activities					
Productions, sales and operations	9	**(113,910)**	**(6,986)**	**-**	**(120,896)**
Raising Funds					
Generating voluntary income	11	**(4,742)**	**(156)**	**-**	**(4,898)**
Commercial activities	12	**(13,005)**	**-**	**-**	**(13,005)**
Interest payable	16,27	**(64)**	**-**	**-**	**(64)**
Total expenditure	16	**(131,721)**	**(7,142)**	**-**	**(138,863)**
Profit on disposal of operations		2,257	-	-	2,257
Net gains on investment		**-**	**198**	**1,594**	**1,792**
Net income / (expenditure)		**(7,238)**	**1,546**	**3,579**	**(2,113)**
Taxation	37	**-**	**-**	**-**	**-**
Transfers between funds	17	**2,546**	**(2,546)**	**-**	**-**
Net income / (expenditure) after transfers and before other recognised gains and (losses)		**11,931**	**(5,517)**	**1,000**	**7,414**
Other recognised gains and (losses)					
Gains on revaluation of heritage assets	20,24	**9,000**	**-**	**-**	**9,000**
Actuarial loss on the defined benefit pension scheme	32	**(8,429)**	**-**	**-**	**(8,429)**
Net movement in funds		**(4,121)**	**(1,000)**	**3,579**	**(1,542)**
Fund balances brought forward at 26 August 2018		**199,519**	**15,073**	**40,068**	**254,660**
Fund balances carried forward at 25 August 2019	28	**195,398**	**14,073**	**43,647**	**253,118**

37. Taxation

UK corporation tax charge and relief of £367,408 has arisen in Royal Opera House Enterprises Limited in the period in respect of current year profits *(52 week period ended 25 August 2019: tax charge and relief of £1,316,779).* No deferred tax has arisen in the period *(52 week period ended 25 August 2019: nil).*

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

38. Post Balance Sheet Events

As a response to the financial impact of the Covid-19 pandemic the decision was taken prior to the end of the 18/19 financial year to sell one of the Royal Opera House's heritage assets, a painting by David Hockney entitled *"Portrait of Sir David Webster"*. The sale estimate from Christie's was £10-12m. At the balance sheet date an assessment was made to revalue the Hockney at £11.275m, an unrealised loss of £3.725m. Therefore the revaluing of the Hockney painting has been treated as an adjusting post-balance sheet event. The painting sold for £11.275m in a public auction in October 2020 and the price realised (hammer price plus buyer's premium net of applicable fees) was £12.865m. In late November 2020, the buyer at auction was publicly announced as the former ROH Chair of Trustees, David Ross.

In December 2020 the Royal Opera House successfully secured a term repayable finance facility of £21.7m from the UK Government, via its Cultural Recovery Fund, to support the Group's funding shortfall across the period 2020 to 2023 so that the Group can seek to return to financially sustainable operations by 27th August 2023. The finance agreement was signed in January 2021 and the facility was fully drawn down in March 2021. The facility is interest bearing at 2% per annum and repayable in 33 equal instalments paid twice-yearly over a 16 year period from December 2024. The facility is unsecured, but has certain on-going non-financial covenants and conditions attached to it.

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

THANK YOU

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

The Royal Opera House gratefully acknowledges the generosity of all those who have provided support this period, including:

INDIVIDUALS

Spindrift Al Swaidi
Lady Alexander of Weedon
Ian and Helen Andrews
Lady Ashcroft
Mrs Alfiya Askar Abulkhair and Timur Kuanyshev
Mr and Mrs Edward Atkin CBE
Ben Babcock and Debbie De Girolamo
Richard and Delia Baker
Mikhail Bakhtiarov
Mercedes T. Bass
Mr and Mrs Baha Bassatne
Geoff and Judith Batchelar
Mrs Arlene Beare
Joanna Black
Janice and David Blackburn
Celia Blakey
Ingemo and Karl Otto Bonnier
Sally and Simon Borrows
Joanna Bowen
Katie Bradford
Consuelo and Anthony Brooke
Vivien and John Brooks
Jennifer Bryant-Pearson and Leslie Perrin
Lady Rosemary Buchanan
Anthony and Elizabeth Bunker
The Bunting Family
Mr Paul Burbidge
Susan Burns, OBE and John Burns
Sue Butcher
Mrs Carolyn Calcutt
Mara Moreno & Rafael Calvo
David Campain
Ricki Gail and Robert Conway
Kirsty Cooper
Liz Cratchley OBE
Anne-Marie Craven
Peggy Czyzak Dannenbaum
Christian and Béatrice Schlumberger
Nicola Davidson
Dr Genevieve Davies
Sir Mick and Lady Barbara Davis
Terry and Jean de Gunzburg
Sir Lloyd and Lady Dorfman
Mr and Mrs Jeffrey Eldredge
Peter and Fiona Espenhahn
Ailsa and Jonathan Feroze
Graham S Fletcher
Louise Fluker
Mrs Aline Foriel-Destezet
Hamish and Sophie Forsyth
Philipp Freise
Francesca Fremantle
Mrs Federìca Frishman
Virginia Gabbertas MBE
Gonzalo and María García
Beth and Gary Glynn
Joan Granlund
Sherry and Michael Guthrie
Gareth Hadley

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Charles and Kaaren Hale
Angela Hamilton
Richard Hayden
Sir Michael and Lady Heller
Katrin and Christoph Henkel
Malcolm Herring
Mr Rod Hill
Marina Hobson OBE and The Hobson Charity
Simon Holden
Charles Holloway
Martin and Jane Houston
Lady Joan Jarvis CBE
Aud Jebsen
Mr and Mrs Christopher W.T. Johnston
Joanna Johnston
Christopher Jonas CBE and Judith Mayhew Jonas DBE
Robert Kalff
Mrs Philip Kan
Mr Ivan Katzen
Sally Kefi
Kenneth and Susan Green
David and Clare Kershaw
Doug and Ceri King
Tessa and Charles King-Farlow
George Kingston
Mr and Mrs Aboudi Kosta
Rena and Sandro Lavery
Peter N Lawrence
Alan G. Levin
Ida Levine
Ruth and Stuart Lipton
Peter Lloyd
Margarita Louis-Dreyfus and Phillipp Hildebrand
Beth Madison
Bob and Tamar Manoukian
The Margulies Family
Crevan O'Grady & Jane McClenahan
Alan McLean
Lee McLernon
Mrs Andrea Medeiros Castro
Isabelle and Adrian Mee
The Metherell family
David and Jane Metter
Bertrand and Elisabeth Meunier
David and Amanda Milne
Margaret Mountford
Odile and Marc Mourre
Trifon and Despina Natsis
Elizabeth Nickerson
Peter Noble & Lucy Vella
Mrs Susan A. Olde OBE
Mr Stefan Sten Olsson and Mr John Tierney
Sir Antonio and Lady Pappano
Hamish Parker
Marian and Gordon Pell
Hélène and Jean Peters
Nicholas and Suzanne Peters
The Phillips Fund
Professor Paul Cartledge and Judith Portrait OBE
Basil and Maria Postan
Melinda and Donald Quintin
Julia and Hans Rausing
Yvonne and Bjarne Rieber

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

Sir John Ritblat and Lady Ritblat OBE
Sir Simon and Lady Robertson
Sir Simon and Lady Robey
Victoria Robey, OBE
Mrs Bonnie Robinson
Kristina Rogge
Ms Viviana Ronco
Lily Safra
Abigail Sargent
Nick and Barbara Scholes
John and Tita Shakeshaft
Louise Sheaves
Penelope Sheehan
Susan and John Singer
Lady Slynn of Hadley
Christopher and Sarah Smith
Michael Smith
Mary Stassinopoulos
Rachael Stearns
Stuart and Jill Steele
Dr and Mrs Timothy Stone CBE
Malcolm Strong
John Studzinski CBE
Didier Tandy
Jennifer Taylor
Ian and Tina Taylor and The Taylor Family Foundation
Lindsay and Sarah Tomlinson
Eric Tomsett
Professor Michael Trimble
John G. Turner & Jerry G. Fischer
Stephanie Tyrer
Elsbeth and Rijnhard van Tets
Sir David and Lady Verey
Patrick Waller
Andrew Walton
Adrienne Waterfield
Nick and Juliet Wilkinson
Peter Harrison and Fiona Willis
Danny and Lillan Wyler

TRUSTS AND FOUNDATIONS

Annenberg Foundation
The John Beckwith Charitable Trust
The Boltini Trust
The Derek Butler Trust
The John S Cohen Foundation
Dunard Fund
The Clore Duffield Foundation
Genesis Foundation
The Goldhammer Foundation
GRoW @ Annenberg Foundation
The Helen Hamlyn Trust
The Headley Trust
The JP Jacobs Charitable Trust
The Kirsh Foundation
The Linbury Trust
The John Lyon's Charity
MariaMarina Foundation and Christopher Holder
The Mikheev Charitable Trust
The Mouth and Foot Painting Artists Trust
Oak Foundation
Orinoco Foundation

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

The Radcliffe Trust
The Regatta Foundation
The Gerald and Gail Ronson Family Foundation
The Sackler Trust
The Sargent Charitable Trust
The Archie Sherman Charitable Trust
Bernard Sunley Charitable Foundation
The Tsukanov Family Foundation
The Mohn Westlake Foundation
Garfield Weston Foundation
The Lord Leonard And Lady Estelle Wolfson Foundation
The Woodward Charitable Trust

CORPORATE

American Express Services Europe Ltd
Boodles
BP
Beacon Rock
Capco Covent Garden
Coutts & Co
Edwardian Hotels London
Freed of London Ltd
Goldman Sachs
Hildon
Leica Camera
Londonewcastle
OANDA Europe Limited
Opera in Style
Quintessentially
Rolex
Ruinart
Teatro San Cassiano
Van Cleef & Arpels
Zaeem Jamal
Zürcher Kantonalbank

SEASON PATRONS

Canary Wharf Group PLC
Mrs Aline Foriel-Destezet
Lady Gavron
Alfiya and Timur Kuanyshev
Jamie McAlpine
Mitsui & Co Europe PLC
Mrs Susan A. Olde OBE
Tim and Theresa Parker
Rolex
Rothschild & Co
Mrs Lily Safra
Mr Pierre-Alain Wavre
Sir Brian Williamson CBE and Mrs Caroline Hoare
Lord and Lady Young of Graffham

FIRST NIGHT PATRONS

Daily Mail and General Trust plc
Dr Genevieve and Mr Peter Davies
The Dow Family
Mr Charles Holloway
Dame Theresa Sackler DBE

DocuSign Envelope ID: 36A52953-3112-4726-953F-E20A80B9B204

AMERICAN FRIENDS OF COVENT GARDEN
SUPPORTERS

Spindrift Al Swaidi
Mercedes T. Bass
Peggy Czyzak Dannenbaum
Mr and Mrs Jeffrey Eldredge
Mrs Aline Foriel-Destezet
Joan Granlund
Michael Guthrie
Charles and Kaaren Hale
Beth Madison
Bob and Tamar Manoukian
John G. Turner & Jerry G. Fischer

SUPPORTING ORGANISATIONS

AMERICAN FRIENDS OF COVENT GARDEN
BOARD

Mercedes T. Bass, *Chairman*
Alex Beard CBE
Susan S. Braddock
G. Scott Clemons, *Treasurer*
Peggy Czyzak Dannenbaum
Misook Doolittle
Lord Eatwell
HRH Princess Firyal of Jordan
Beth W. Glynn
Richard Karl Goeltz
Joan Granlund
Lady Heywood
Frederick Iseman
Bruce Kovner
Alan G. Levin
Beth Madison
John P. McGinn
Mrs Susan A. Olde OBE
Nancy Peck Green
John G. Turner
David A Shelvin, *Legal Counsel*
Elizabeth Gray Kogen, *Secretary and Executive Director*

PHILANTHROPY AND BEQUESTS TO THE ROYAL OPERA HOUSE ENDOWMENT FUND

Philanthropy

Paul Hamlyn Foundation

Mrs Susan A. Olde OBE
The Jean Sainsbury Royal Opera House Fund

Bequests

Roselle Godeaux
Dr Angela Mary Grape
Keith and Anne Sansom

Anonymous (7)