

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

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

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

| | | | | 25 August 2024 | 27 August 2023 |
|---|-------|--------------------------------|------------------------------|-----------------------------|-------------------------|
| | Note | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Total Funds £'000 |
| Fixed assets | | | | | |
| Intangible fixed assets | 13 | 917 | - | - | 917 |
| Tangible fixed assets | 14 | 156,485 | 9,487 | - | 165,972 |
| Heritage assets | 15 | 7,303 | - | - | 7,303 |
| Investments | 16(a) | - | - | 45,557 | 45,557 |
| Total fixed assets | | 164,705 | 9,487 | 45,557 | 219,749 |
| Current assets | | | | | |
| Productions in preparation | | 4,853 | - | - | 4,853 |
| Stocks | 17 | 461 | - | - | 461 |
| Debtors: amounts falling due after more than one year | 18 | - | - | - | - |
| Debtors: amounts falling due within one year | 18 | 29,547 | - | 121 | 29,668 |
| Cash at bank and in hand | | 76,637 | 925 | 11,080 | 88,642 |
| Short term investments: Deposits | | 25,000 | - | - | 25,000 |
| | | 136,498 | 925 | 11,201 | 148,624 |
| Creditors: amounts falling due within one year | 19 | (45,312) | (266) | (78) | (45,656) |
| Net current assets | | 91,186 | 659 | 11,123 | 102,968 |
| Total assets less current liabilities | | 255,891 | 10,146 | 56,680 | 322,717 |
| Creditors: amounts falling due after one year | 19 | (21,816) | (1,130) | - | (22,946) |
| Net assets excluding pension liability | | 234,075 | 9,016 | 56,680 | 299,771 |
| Defined benefit pension scheme liability | 24 | (11,874) | - | - | (11,874) |
| Net assets including pension liability | | 222,201 | 9,016 | 56,680 | 287,897 |
| Funds | | | | | |
| Unrestricted general funds | 20 | 4,146 | - | - | 4,146 |
| Unrestricted revaluation funds | 20 | 1,670 | - | - | 1,670 |
| Unrestricted designated funds | 20 | 228,259 | - | - | 228,259 |
| Unrestricted funds before pension reserve | | 234,075 | - | - | 234,075 |
| Unrestricted pension reserve | 24 | (11,874) | - | - | (11,874) |
| Restricted funds | 20 | - | 9,016 | - | 9,016 |
| Endowment fund | 20 | - | - | 56,680 | 56,680 |
| Total Funds | | 222,201 | 9,016 | 56,680 | 287,897 |

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

CAROLINE BRITTON


Trustee


Trustee

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

Parent charitable company balance sheet

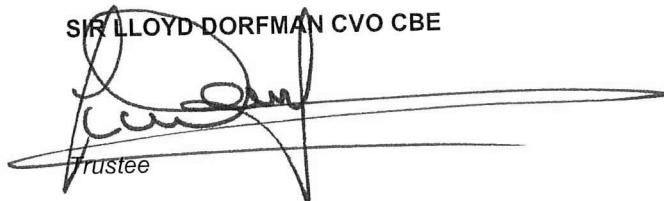
as at 25 August 2024

| | | | 25 August 2024 | 27 August 2023 |
|---|-------|--------------------------------|------------------------------|----------------------|
| | Note | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds £'000 |
| Fixed assets | | | | |
| Intangible fixed assets | 13 | 917 | - | 917 |
| Tangible fixed assets | 14 | 156,485 | 9,487 | 165,972 |
| Heritage assets | 15 | 7,303 | - | 7,303 |
| Investment in subsidiaries | 16(b) | 6,676 | - | 6,676 |
| Total fixed assets | | 171,381 | 9,487 | 180,868 |
| Current assets | | | | |
| Productions in preparation | | 4,853 | - | 4,853 |
| Debtors: amounts falling due within one year | 18 | 28,661 | - | 28,661 |
| Cash at bank and in hand | | 75,394 | 565 | 75,959 |
| Short term investments: Deposits | | 25,000 | - | 25,000 |
| | | 133,908 | 565 | 134,473 |
| Creditors: amounts falling due within one year | 19 | (43,093) | (51) | (43,144) |
| Net current assets | | 90,815 | 514 | 91,329 |
| Total assets less current liabilities | | 262,196 | 10,001 | 272,197 |
| Creditors: amounts falling due after one year | 19 | (21,816) | (1,130) | (22,946) |
| Net assets excluding pension liability | | 240,380 | 8,871 | 249,251 |
| Defined benefit pension scheme liability | 24 | (11,874) | - | (11,874) |
| Net assets including pension liability | | 228,506 | 8,871 | 237,377 |
| Funds | | | | |
| Unrestricted general funds | 20 | 4,671 | - | 4,671 |
| Unrestricted revaluation funds | 20 | 1,670 | - | 1,670 |
| Unrestricted designated funds | 20 | 234,039 | - | 234,039 |
| | | 240,380 | - | 240,380 |
| Unrestricted funds before pension reserve | | 240,380 | - | 240,380 |
| Unrestricted pension reserve | 24 | (11,874) | - | (11,874) |
| Restricted funds | 20 | - | 8,871 | 8,871 |
| Total Charity Funds | | 228,506 | 8,871 | 237,377 |

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).

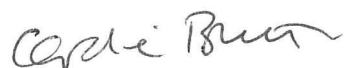
These financial statements were approved by the board of Trustees on 25 March 2025 and were signed on its behalf by:

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 |
| UK total | | 77,724 | | 79,271 |
| Overseas touring receipts | | 2,549 | | 1,021 |
| | | 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 25-Aug-24 £'000 |
|-------------------------------|--------------------|------------------|-----------------|---|
| | £'000 | £'000 | £'000 | |
| Membership | 8,169 | - | - | 8,169 |
| Events | 2,067 | - | - | 2,067 |
| Donations, gifts and legacies | 10,579 | 28,660 | 1,335 | 40,574 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 20,815 | 28,660 | 1,335 | 50,810 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | | | | |
| | 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 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 19,115 | 14,974 | 914 | 35,003 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | <hr/> | <hr/> | <hr/> | <hr/> |

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 |
| | <hr/> | <hr/> |
| Restricted funds: | | |
| Arts Council England - Bridge funding | 673 | 749 |
| | <hr/> | <hr/> |

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 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 799 | - | 6,300 | 7,099 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

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 | | Support and governance costs | Total |
| | Productions, sales and operations £000 | Generating voluntary income £000 | Commercial activities £000 | costs £000 | £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 | | Support and governance costs | Total |
| | Productions, sales and operations £000 | Generating voluntary income £000 | Commercial activities £000 | costs £000 | £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 |
| | <hr/> | <hr/> |
| | 67,489 | 62,131 |
| | <hr/> | <hr/> |

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:

| | | | | | | 52 week period ended 25-Aug-24 |
|---|----------------|----------------|----------------------------|----------------|------------------------------|---|
| | Salary (£) | Fees (£) | Total Emoluments (£) | Pension (£) | National Insurance (£) | Total (£) |
| 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 |

| | | | | | | 52 week period ended 27-Aug-23 |
|---|----------------|----------------|----------------------------|----------------|------------------------------|---|
| | Salary (£) | Fees (£) | Total Emoluments (£) | Pension (£) | National Insurance (£) | Total (£) |
| 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

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

13. Intangible fixed assets

| | |
|--------------------------|--------------------------|
| | Computer Software |
| | £'000 |
| Group and Charity | |
| 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

| | Freehold premises | Assets in the course of construction | Equipment & vehicles | Total |
|---|----------------------|---|----------------------|----------------|
| Group Cost | £'000 | £'000 | £'000 | £'000 |
| 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 |

| | Freehold premises | Assets in the course of construction | Equipment & vehicles | Total |
|---|----------------------|---|----------------------|----------------|
| Charity Cost | £'000 | £'000 | £'000 | £'000 |
| 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:

| <i>Subsidiary undertaking</i> | Country of incorporation | Principal activity | Percentage of shares held |
|---------------------------------------|---------------------------------|--|----------------------------------|
| 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 £'000 | Group 27 August 2023 £'000 | Charity 25 August 2024 £'000 | Charity 27 August 2023 £'000 |
|---|-------------------------------------|-------------------------------------|---------------------------------------|---------------------------------------|
| Amounts due after more than one year | | | | |
| Prepayments | - | 717 | - | - |
| | - | 717 | - | - |
| 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 £'000 | Group 27 August 2023 £'000 | Charity 25 August 2024 £'000 | Charity 27 August 2023 £'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 |
| 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 £'000 | 52 Week Period Ended 27-Aug-23 £'000 |
|--|--|--|
| Balance at the beginning of the year | 21,700 | 21,700 |
| Amounts drawn down | - | - |
| Amounts repaid | - | - |
| Interest payable | - | - |
| | <hr/> | <hr/> |
| Balance at the end of the year | 21,700 | 21,700 |
| Less amounts disclosed in creditors: amounts falling due within one year | - | - |
| | <hr/> | <hr/> |
| 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 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 21,700 | 5,645 | 27,345 | 21,700 | 5,645 | 27,345 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

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 £0.06m (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 27 August 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

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

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:

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Spindrift Al Swaidi
Lady Ashcroft
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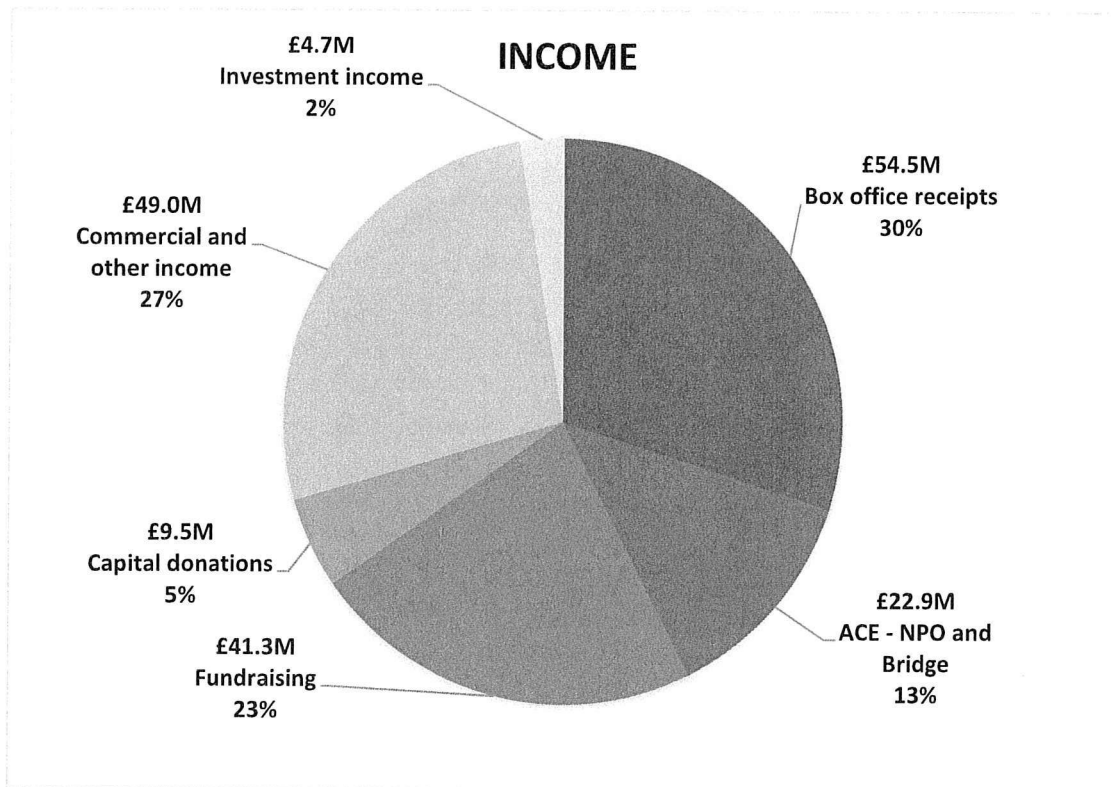
REPORT

2023/24

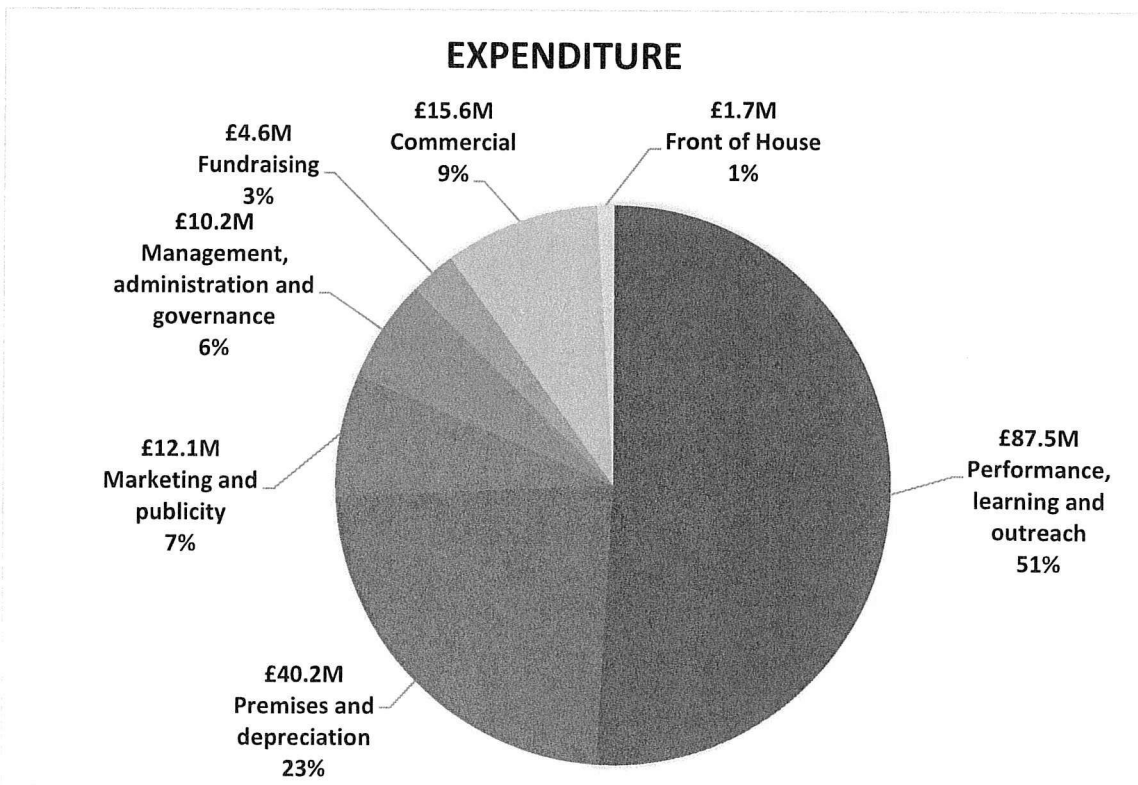
2023/24 in Summary



INCOME 2023/24

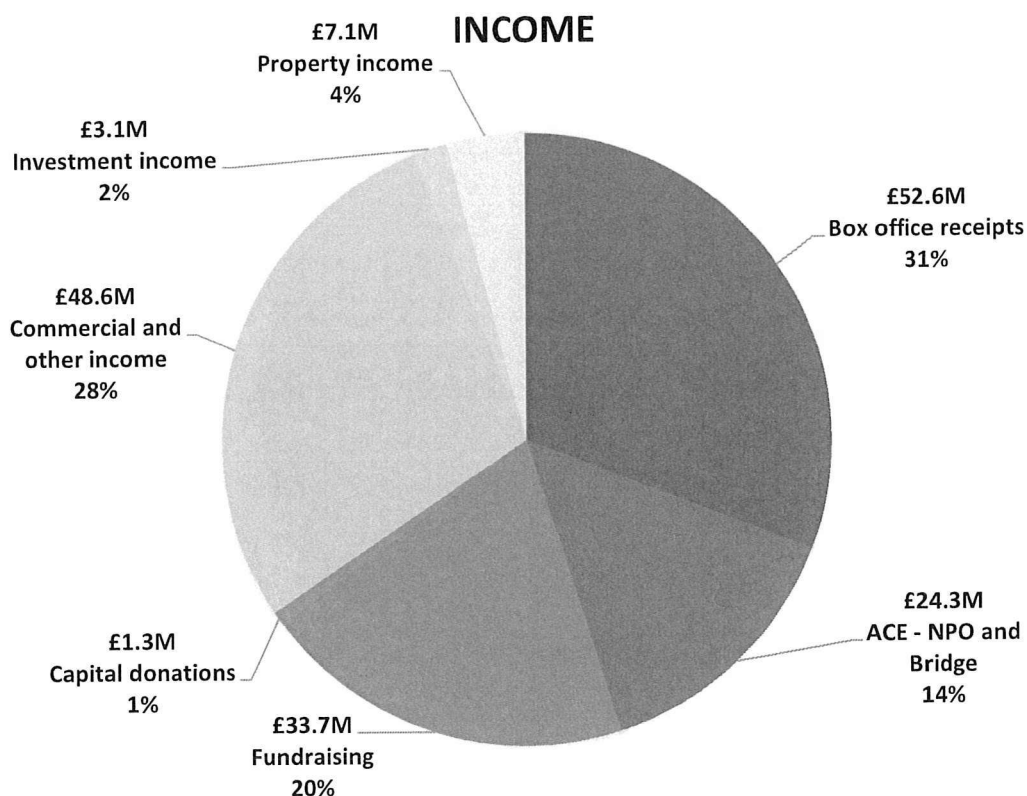


EXPENDITURE 2023/24

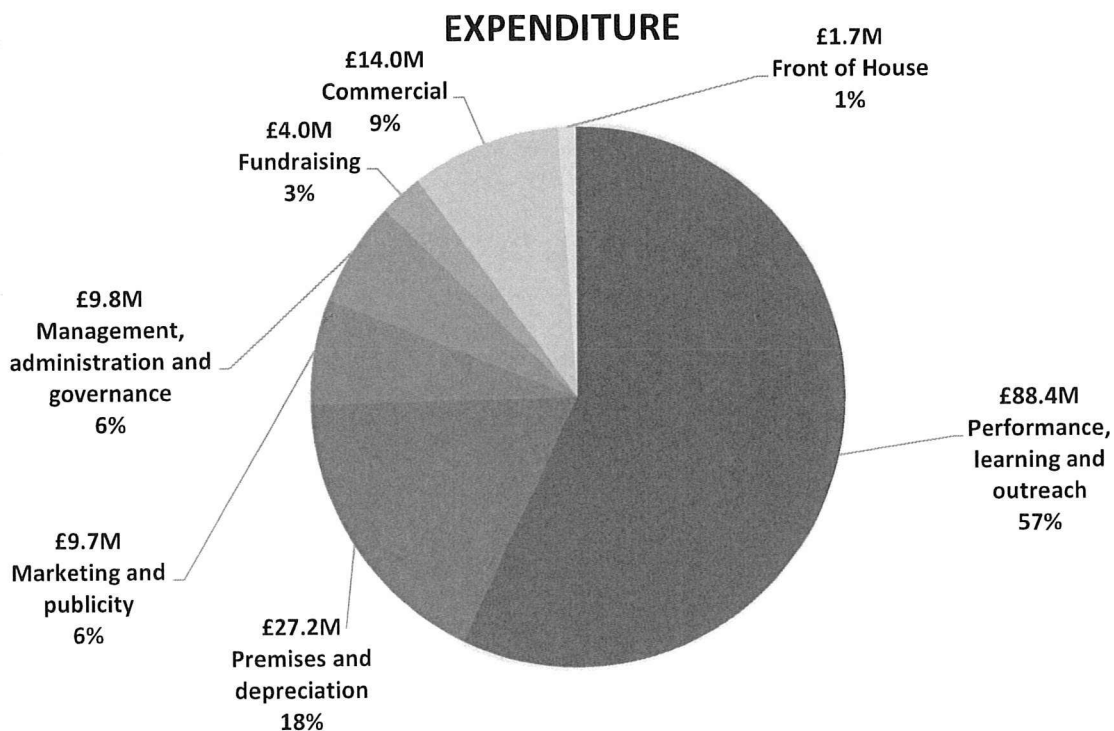


Total income £181.9m, including capital donations and funding of £9.5m. Total expenditure £171.9m, excluding capital expenditure. Figures exclude gains on investment, taxation and fund transfers.

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 Jepsen 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 Jepsen 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 *Anemoui* 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 Beczala (*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 anatomist 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.

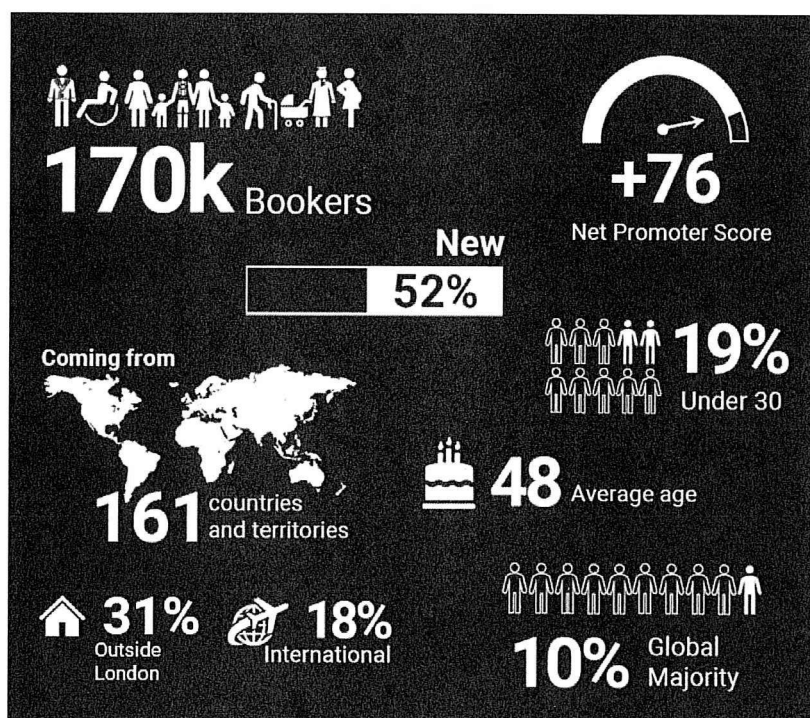
RBO Stream

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

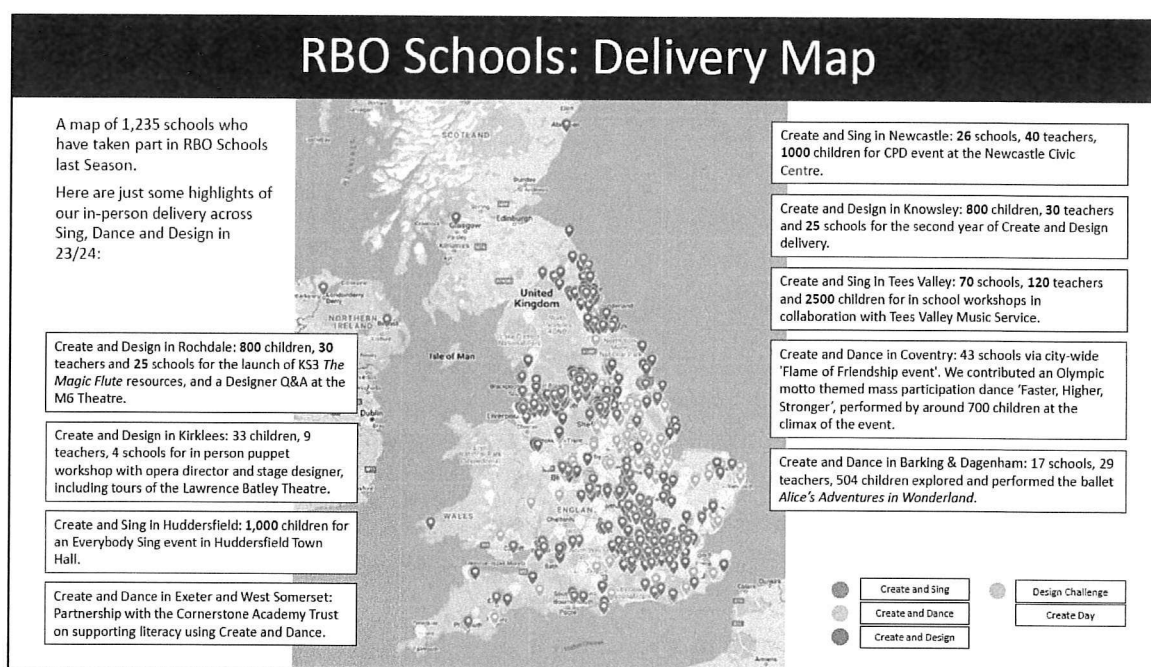
For the Paul Hamlyn Christmas Treat 2023 (kindly supported by the Helen Hamlyn Trust), we developed and delivered our first mainstage Relaxed Performance. Designed to benefit neurodiverse audiences, those with disabilities, long-term health conditions and audiences with a variety of access needs, this 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. | <ul style="list-style-type: none"> - 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 <i>Light of Passage</i> . | <p>This was the programme's first year, and it reached:</p> <ul style="list-style-type: none"> - 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. | <p>Numbers below are broadly standstill compared with 2022/23, as planned.</p> <ul style="list-style-type: none"> - 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 |
|--|---|
| <p>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.</p> <p>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.</p> | <p>Numbers below are broadly standstill compared with 2022/23:</p> <ul style="list-style-type: none"> - 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. | <p>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.</p> <p>Awarded 'Best Apprenticeship in Creative Industries'.</p> |

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. | <p>116 YOC full-time members</p> <p>54% identifying as Global Majority</p> <p>18% receiving Free School Meals</p> |

Overture

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

Jette Parker Artists

| Programme summary | Impact 2023/24 |
|--|--|
| <p>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).</p> | <p>Increase in applicants: music staff, 14%; singers, 22%; directors, 46%.</p> <p>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.</p> |

Aud Jepsen 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 Flies. 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 (CO₂e) 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.

| |
|---|
| <p>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)</p> |
| <p>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'</p> <p>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</p> |
| <p>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)</p> |
| <p>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'</p> <p>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/</p> |
| <p>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)</p> |
| <p>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.</p> <p>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 Freightage Goods from 2024 UK Government GHG Conversion Factors for Company Reporting (version 1.0) - Vans average diesel.</p> |
| <p>Intensity Ratio: tCO₂e gross figure based from mandatory fields (tCO₂e/m²) 2024: 0.0500 2023: 0.0540 2022: 0.0570</p> |
| <p>Methodology: The intensity ratio stated above has been calculated as Tonnes of CO₂e per total square meters of useful floor area (57,438 m²)</p> |

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 | <p>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.</p> <p>Mitigated by a range of talent development initiatives including for performers (Jette Parker Artists for singers, Aud Jebesen 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.</p> |
|----|---------------------------------------|---|

| | | |
|----|--------------------------------------|---|
| 2. | Reputation | <p>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.</p> <p>Mitigated by balanced programming supported by:</p> <ul style="list-style-type: none"> - 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 | <p>Customer spend not maximised</p> <p>Mitigated by:</p> <ul style="list-style-type: none"> - 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. <p>Reduced philanthropic giving</p> <p>Mitigated by continued implementation of the new strategy established in summer 2023, including an advocacy campaign with philanthropy at its heart.</p> <p>Overall business model unsustainable in future economy</p> <p>Mitigated by Bridging the Gap strategy in place: grow commercial, fundraising and corporate partner income and reduce operating costs via business transformation.</p> |
| 4. | Public investment | <p>Risks are further reduction in ACE funding from April 2027.</p> <p>Mitigated through continuing to deliver excellence and public value, and through 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.</p> |
| 5. | Cost control | <p>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.</p> <p>Mitigated by:</p> <ul style="list-style-type: none"> - 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 | <p>Serious injury or fatality; Legal challenge and resulting damages.</p> <p>Mitigated by a wide range of measures focused on:</p> <ul style="list-style-type: none"> - 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 | <p>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.</p> <p>Mitigated by a wide range of measures focused on ensuring:</p> <ul style="list-style-type: none"> - Effective and sufficient staff resource. - Fit-for purpose working practices and systems. - Maintenance of facilities or equipment. |
| 8. | Equipment failure | <p>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.</p> <p>Mitigated by a Capital & Estates Plan focused on addressing:</p> <ul style="list-style-type: none"> - Technology failure. - Estates failures. - Stage Equipment failure. |
| 9. | Business continuity | <p>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.</p> <p>Mitigated by wide range of measures focused on:</p> <ul style="list-style-type: none"> - 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 | New Note Orchestra |
| Askonas Holt | Northern Ballet |
| Ballet Black | Norwegian National Ballet |
| Birmingham Royal Ballet | Norwegian National Ballet 2 |
| Bradford Cathedral | Nouvel Opera Fribourg |
| British Broadcasting Corporation | Odeon |
| British Youth Opera | Opera Australia |
| Britten Pears Arts | Opera Ballet Flanders |
| Brno National Theatre Ballet | Opera Comique, Paris |
| Bundesjugendballett | Opera National de Paris |
| Charles Court Opera | Opéra National du Rhin, Strasbourg |
| Cineworld | Opera Story |
| City Lit | Opera UCT |
| Clonter Opera | Opernhaus Zurich |
| CNN | Paris Opera Ballet |
| Cologne Opera | Place2Be |
| Creative UK | Rambert School |
| Curzon | Royal Academy of Music |
| Die Nederlandse Opera | Royal Birmingham Conservatoire |
| Elizabeth Connell Prize | Royal College of Music |
| English National Ballet | Royal Conservatoire of Scotland |
| English National Ballet School | Royal Northern College of Music |
| English Touring Opera | San Francisco Opera |
| Everyman | Sarasota Ballet |
| Fallen Angels Dance Theatre | Scottish Ballet |
| Festival d'Aix-en-Provence | Semperoper Dresden |
| Flock Theatre Makers | Shanghai Arts Group |
| Gran Teatro del Liceu, Barcelona | Society of London Theatre |
| Greek National Opera | St Paul's Cathedral |
| Gothenburg Opera | Studio Wayne McGregor |
| Guildhall School of Music & Drama | Sydney Dance Company |
| Hans Gabor Belvedere Singing Competition | Teatro di San Carlo, Naples |
| Houston Grand Opera | Teatro Real, Madrid |
| Irish National Opera | The Aotearoa New Zealand Opera Studio |
| Korean National Ballet | The Australian Ballet |
| La Monnaie, Brussels | The Ballet Association |
| La Scala, Milan | The Barbican |
| Les Théâtres de la Ville de Luxembourg | The Frederick Ashton Foundation |
| Lisa Gasteen National Opera Program | The Metropolitan Opera, New York |
| Little Bulb | The National Ballet of Canada |
| London Handel Festival | The Royal Ballet School |
| Lyric Opera of Chicago | Thick and Tight |
| Magpie Dance | Tonic |
| Morley College | Trafalgar |
| Mt. Fuji International Opera Competition of Shizuoka | Ukrainian Catholic Eparchy of the Holy Family |
| National Opera Studio | Ukrainian Cultural Centre of Bradford |
| National Theatre Brno | Ukrainian Social Club |
| National Youth Ballet | Unicef Rights Respecting Schools Alliance |
| NBS-Japan Performing Arts Foundation | UK Theatre |
| NCPA Beijing | Vue |
| Neue Stimmen | Yorke Dance Project |
| New English Ballet Theatre | 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.

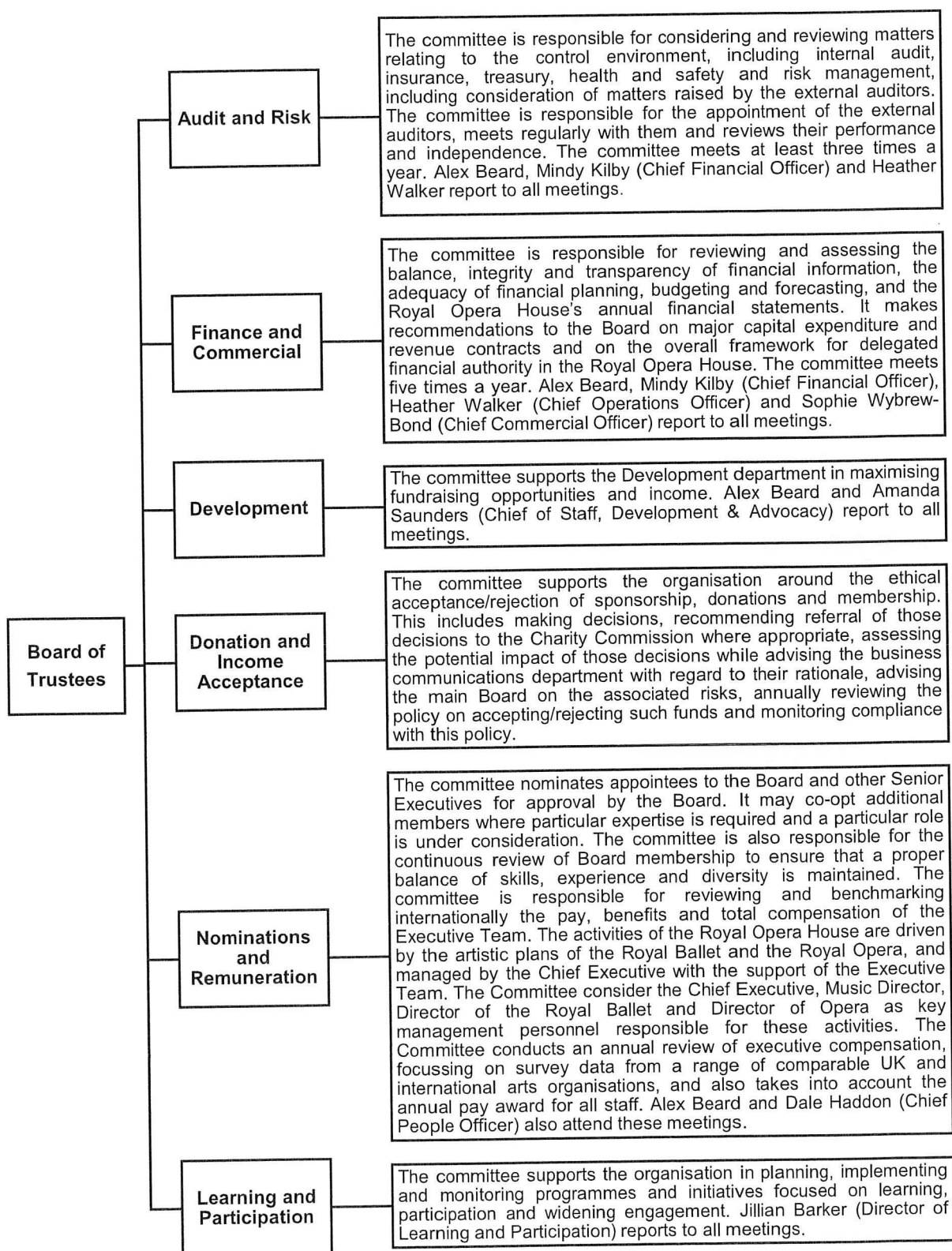
Trustee Induction and training

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 Jebesen

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



Supported using public funding by

**ARTS COUNCIL
ENGLAND**

Company number

00480523

ACTUARIES

PRINCIPAL OFFICE

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

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

AUDITORS

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

INTERNAL AUDITORS

To August 2024:

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

BANKERS

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

From September 2024:

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

**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

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