

# **The Royal Albert Hall Trust**

## **Annual Report and Accounts**

31 December 2022

Charity Registration Number  
285111

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## Reference and administrative information

<b>Trustees</b>	Leon Baroukh MA CFA Lin Craig Michael Jackson MA FCA (resigned 7 July 2022) Ian McCulloch (Chair) Mark Schnebli Hosein Khajeh-Hosseiny Mo El Husseiny Lord David Brownlow CVO, DL James Max (appointed 7 July 2022) Nigel Hamway (appointed 3 February 2023)
<b>Secretary</b>	Susan Gent
<b>Principal address</b>	Royal Albert Hall Kensington Gore London SW7 2AP
<b>Charity registration number</b>	285111
<b>Auditor</b>	Moore Kingston Smith LLP 9 Appold Street London EC2A 2AP
<b>Bankers</b>	Coutts & Co 440 Strand London WC2R 0QS
<b>Solicitors</b>	Bates Wells Braithwaite LLP 10 Queen Street Place London EC4R 1BE

## **Trustees' report** Year to 31 December 2022

The trustees present their statutory report together with the accounts of The Royal Albert Hall Trust ("the Trust") for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 15 to 17 of the attached accounts and comply with the charity's trust deed, applicable laws, the requirements of the Charities Act 2011 and the Charities SORP (FRS102).

### **Structure, governance and management**

#### *Constitution and objects*

The Royal Albert Hall Trust – Charity Registration No. 285111 – was established under a Trust Deed dated 24 June 1982 with the object of maintaining and preserving the Royal Albert Hall, a building owned by The Corporation of the Hall of Arts and Sciences ("the Corporation"), Charity Registration No. 254543.

On 23 September 2005, following approval by the Charity Commission, the objects of the original Trust Deed of 1982 were extended by a Scheme to include the advancement of education for public benefit by the provision of such instructive activities that relate to the Royal Albert Hall as the trustees shall from time to time determine.

On 6 January 2020, the Trust Deed was amended to provide for the appointment of additional trustees who do not have to be Members of the Corporation.

The aims of the Trust (set out in the Trust deed) are the maintenance, preservation, restoration, improvement, renewal, decoration and general upkeep of the Royal Albert Hall, with power for the Trustees to furnish the Royal Albert Hall with such works and objects of scientific and artistic interest as they think fit, together with the advancement of education for public benefit.

The relationship between the Trust and the Corporation is such that all amounts received into the Trust are donated to the Corporation at the year-end provided that any conditions attached to the amounts received have been satisfied.

#### *Organisation*

The trustees are the current President and four Vice-Presidents of the Corporation together with three appointed trustees who are not Members of the Corporation and one additional trustee who is a member of the Council of the Corporation.

The Corporation appoints the trustees who meet a minimum of four times per year to review the progress of the Trust's charitable aims. The Trust has no employees and receives donated administration services from the Corporation.

The Trustees, who include the President and Vice-Presidents of the Corporation, have powers under the Trust Deed to maintain the Hall (as set out above); and to hold the capital and income of the Trust Fund upon trust to apply it at such time or times as they may in their absolute discretion think fit for the purposes of the Trust.

## Trustees' report Year to 31 December 2022

They may also (subject to any Charity law restrictions) sell, demise, let, licence and generally manage and deal with any land, buildings or interest therein, in such manner as they think fit; borrow money; and appeal for and accept donations and bequests to be held on trust for the purposes of the Trust. At its meeting in July, the Trustees appoint the Trust's auditors and approve the Trust Annual Report and Accounts. In addition, they agree the amount of funds to be donated to the Hall.

During the year, the trustees in office were as follows:

### Name

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Leon Baroukh MA CFA  
Lin Craig  
Michael Jackson MA FCA (resigned 7 July 2022)  
Ian McCulloch (Chair)  
Mark Schnebli  
Dr Hosein Khajeh-Hosseiny  
Mo El Husseiny  
Lord David Brownlow CVO, DL  
James Max (appointed 7 July 2022)  
Nigel Hamway (appointed 3 February 2023)

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On appointment, trustees receive a copy of the Trust's Trust Deed, a full briefing on its activities from the Chief Executive of the Corporation as well as an induction from the Secretary to the Corporation which includes a copy of the Code of Governance for Charities and a manual to assist them with their governing responsibilities.

### Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period. In preparing the accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

## Trustees' report Year to 31 December 2022

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

### Risk management

The trustees have established a process for identifying the major operational and financial risks to which the Trust is exposed and have reviewed these risks.

As the Trust's primary objective is to raise funds for the maintenance, preservation, restoration, improvement, renewal, decoration and general upkeep of the Royal Albert Hall, the principal risks are connected with potential reputational damage or incidents that may prevent the use of the building and therefore impact on the Trust's ongoing ability to raise funds.

The trustees are satisfied that systems have been established and are functioning to mitigate and manage the above risks.

The principal risks and uncertainties to the Hall and therefore the Trust are:

Risk	Management
<p data-bbox="384 1081 916 1205">Further lockdowns in the event of a major disease outbreak threatening the NHS in the coming months</p> <ul data-bbox="384 1205 916 1771" style="list-style-type: none"><li data-bbox="384 1205 916 1361">• The further closure of the Hall for an extended period of time with the consequent impact on the Hall's reserves.</li><li data-bbox="384 1361 916 1518">• Uncertainty round the loss of public confidence to attend public gatherings or travel to London, which could impact income</li><li data-bbox="384 1518 916 1641">• The impact of sickness on the supply chain and operational teams.</li><li data-bbox="384 1641 916 1771">• Staff wellbeing and morale being affected adversely due to work pressures.</li></ul>	<ul data-bbox="916 1081 1482 1480" style="list-style-type: none"><li data-bbox="916 1081 1482 1205">• Detailed cash flow forecasts of different closure scenarios; review and cutting back of all expenditure</li><li data-bbox="916 1205 1482 1480">• Pre-existing COVID-safe site arrangements, procedures and risk assessments in place. Plans fully scalable for any size capacity and to include pandemic-safe procedures for managing staff, contractors, performers and the public.</li></ul>

**Trustees' report** Year to 31 December 2022

<b>Risk</b>	<b>Management</b>
<p>Incidents that prevent use of the building and therefore require cancellation of events (including terrorist action, fire, loss of utilities, incidents causing serious injury, and disruption caused by building/engineering works).</p>	<ul style="list-style-type: none"> <li>• Strict adherence/enforcement of procedures, codes of practice etc.</li> <li>• Built-in resilience / dual capacity / back-up systems and processes.</li> <li>• Organisation-wide staff induction, awareness, and training</li> <li>• Detailed contingency / disaster recovery planning.</li> <li>• Comprehensive insurance.</li> </ul>
<p>Significant loss of revenue or funding / significant increase to cost base (including increased energy costs)</p>	<ul style="list-style-type: none"> <li>• Robust business model with diverse content on stage</li> <li>• Long term affordable debt finance in place</li> <li>• Strategic approach to energy purchasing to insulate against further price increases</li> </ul>
<p>Cyber attack / IT system failure</p>	<ul style="list-style-type: none"> <li>• Cyber insurance in place</li> <li>• Continual offsite system backups</li> <li>• Regular staff training</li> <li>• Disaster recovery plans in place</li> </ul>
<p>Damage to the Hall's reputation, impacting long-term operational and financial resilience arising from:</p> <ul style="list-style-type: none"> <li>• failure to comply with statute or safeguarding requirements</li> <li>• negative publicity arising from a misunderstanding of the Hall's unique governance structure which may lead to a reduction in public support thereby impacting the Halls ability to generate income</li> <li>• adverse reviews</li> <li>• failing service standards</li> <li>• data protection breaches</li> <li>• security-related incidents</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensive procedures and staff awareness of them and training</li> <li>• Disclosure and explanation of the Hall's governance structure in the annual report and accounts, other statutory documents, and the website.</li> <li>• Conflicts Committee</li> <li>• Implementation of GDPR action plan.</li> <li>• Ongoing dialogue with the Charity Commission</li> <li>• Long-term contracts and strong relationships with major promoters and corporate partners.</li> <li>• Proactive and reactive media strategies.</li> </ul>

### **Activities**

The Trust meets its objectives by raising funds from donations and other fundraising events in order that it may make periodic donations (or grants) to the Corporation. When considering the aims and activities of the Trust, the trustees have had regard to the Charity Commission's general guidance on the provision of public benefit together with relevant specific guidance.

### **Achievements, performance and financial review**

The principal funding source of the Trust is derived from donations and bequests in furtherance of its Objects as set out above. We have had another successful year of fundraising activities through a well-received programme of prospecting events, continuation of the Friends and Patrons Scheme and raising significant funds for investment in our capital projects.

In the year ended 31 December 2022 donations income totalled £2.9m (2021: £4.9m). During the year, the Trust recorded a donation to the Corporation of the Hall of Arts and Sciences of £2.1m (2021: £3.5m).

#### *Reserves policy*

As explained above, the Trust exists specifically to fulfil two purposes. Firstly, to contribute to the maintenance and preservation of the Royal Albert Hall and secondly to advance education for public benefit by the provision of such instructive activities that relate to the Royal Albert Hall. The trustees have examined the need for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets or designated for specific purposes. Given the objects of the Trust, the trustees believe there is no specific need for general or free reserves.

The total reserves held at the balance sheet date, which comprised restricted funds only, were £2.6m (2021: £1.8m) (unrestricted funds having been received and fully spent in the year).

#### *Fundraising policy*

The Hall operates an internal Philanthropy team and is a member of the Fundraising Regulator and adheres to the Fundraising Code and all good standards of practice. As set out in our Philanthropy Policy, the Hall's fundraising team adheres to Section 1.2 of the Code of Fundraising Practice and is committed to protecting vulnerable donors. We comply with all legal requirements relating to data protection, under the UK GDPR and do not share any data for the purposes of fundraising with third parties or data sharing schemes. We regularly carry out data protection impact assessments to ensure that we comply with the UK GDPR and we do not engage in intrusive practices.



## Trustees' report Year to 31 December 2022

### *Going Concern*

This report sets out a review of financial performance and the charity's reserve position. We have adequate financial resources and are well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate of inflation, high energy prices and the current cost of living crisis and its impact on the various sources of income and planned expenditure. We believe that there are no material uncertainties that call into doubt the charity's ability to continue. The accounts have therefore been prepared on the basis that the charity is a going concern.

### *Financial position*

The balance sheet as at 31 December 2022 shows total funds of £2.6m (2021: £1.8m), comprising, £2.1m restricted to building projects, £0.1m restricted to education, £0.4m restricted to future productions and no unrestricted funds.

### *Investment policy*

The trustees have wide powers conferred on them by the Trust's trust deed enabling them to invest in stocks, shares, land and buildings of whatsoever nature at their absolute discretion as they deem appropriate and in compliance with charity law.

The investment policy of the Trust is to safeguard the funds of the charity by making secure investments and, within the limits that this implies, to generate the best return possible from these funds in order to assist the Trust to carry out its purposes.

During the year ended 31 December 2022 no investments were held.

### *Future plans*

The Trust will continue to meet its objectives by seeking donations and bequests in order to make periodic donations to the Corporation.

### **Related Parties**

None of the trustees receive remuneration or other benefit from their work with the charity.

Approved by the trustees on 2 August 2023  
and signed on their behalf by:



I McCulloch  
Chair



L Baroukh  
Trustee

**Independent Auditor's Report to the Trustees of The Royal Albert Hall Trust**

**Opinion**

We have audited the financial statements of The Royal Albert Hall Trust for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

## **Independent auditor's report 31 December 2022**

### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 2 to 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **Independent auditor's report 31 December 2022**

### **Auditor's responsibilities for the audit of the financial statements**

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

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

## Independent auditor's report 31 December 2022

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.



**Moore Kingston Smith LLP**

Statutory auditor  
9 Appold Street  
London  
EC2A 2AP

13 September 2023

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

## The Royal Albert Hall Trust

### Statement of financial activities Year to 31 December 2022

	Notes	Unrestricted funds '000	Restricted funds £'000	<b>2022 Total funds £'000</b>	2021 Total funds £'000
<b>Income:</b>					
Donations and legacies	1	1,264	1,609	<b>2,873</b>	4,832
Commercial trading operations		29	-	<b>29</b>	19
<b>Total income</b>		<b>1,293</b>	<b>1,609</b>	<b>2,902</b>	<b>4,851</b>
<b>Expenditure:</b>					
<i>Cost of raising funds:</i>					
Commercial trading operations		1	-	<b>1</b>	1
<i>Expenditure on charitable activities</i>					
Cost of activities in furtherance of the charitable objectives	2	1,292	802	<b>2,094</b>	3,479
<b>Total expenditure</b>		<b>1,293</b>	<b>802</b>	<b>2,095</b>	<b>3,480</b>
<b>Net income</b>		-	807	<b>807</b>	1,371
<b>Net movement in funds</b>		-	807	<b>807</b>	1,371
<b>Fund balances brought forward at 1 January</b>		-	<b>1,789</b>	<b>1,789</b>	418
<b>Fund balances carried forward at 31 December</b>		-	<b>2,596</b>	<b>2,596</b>	1,789

Net income and the net movement in funds relate solely to activities from continuing operations.

The notes on pages 15 to 21 form part of these financial statements.

## The Royal Albert Hall Trust

### Balance sheet 31 December 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>Current assets</b>					
Debtors	6	2,618		1,796	
Cash at bank		-		7	
		<u>2,618</u>		<u>1,803</u>	
<b>Creditors: amounts falling due within one year</b>					
	7	(22)		(14)	
<b>Net current assets</b>					
<b>Total net assets</b>					
			<u>2,596</u>		<u>1,789</u>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Unrestricted funds			-		-
Restricted funds	8		<u>2,596</u>		<u>1,789</u>
			<u>2,596</u>		<u>1,789</u>

Approved by the trustees on 2 August 2023  
and signed on their behalf by:



I McCulloch  
Chair



L Baroukh  
Trustee

The notes on pages 15 to 21 form part of these financial statements.

## The Royal Albert Hall Trust

### Cash Flow Statement 31 December 2022

	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>	<u>(7)</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period	(7)	1
Cash and cash equivalents at the beginning of the reporting period	7	6
<b>Cash and cash equivalents at the end of the reporting period</b>	<u>-</u>	<u>7</u>
<b>Reconciliation of cash flows from operating activities</b>		
Net income for the reporting period	807	1,371
Increase in debtors	(822)	(1,234)
Increase/(decrease) in creditors	8	(137)
<b>Net cash used in operating activities</b>	<u>(7)</u>	<u>-</u>

The notes on pages 15 to 21 form part of these financial statements.



### **Charity Information**

The aims of The Royal Albert Hall Trust (RAHT) (set out in the Trust deed) are the maintenance, preservation, restoration, improvement, renewal, decoration and general upkeep of the Royal Albert Hall, with power for the Trustees to furnish the Royal Albert Hall with such works and objects of scientific and artistic interest as they think fit, together with the advancement of education for public benefit.

The Trust is a UK registered charity (registered number: 285111) which is incorporated and domiciled in the UK. The address of the registered office is Royal Albert Hall, Kensington Gore, London, SW7 2AP, UK.

### **Principal activity**

The principal activity of the Trust is to raise funds from donations and other fundraising events in order that it may make periodic donations (or grants) to the Corporation.

### **Parent Charity's Principal Activities**

The Trust is a related charity of The Corporation of the Hall of Arts and Sciences ("the Corporation"), which through the appointment of the trustees has overall control of the Trust. The Corporation is a registered charity (registered number: 254543) which is incorporated and domiciled in the UK. Its purpose is to serve to promote the Arts and Sciences and the preservation and enhancement of the Grade I listed building which is held in trust for the nation. The Royal Albert Hall constitutes a public benefit entity as defined by FRS 102. The Corporation produces consolidated financial statements in which the company's financial results and position are included. The consolidated financial statements are available to the general public from the Charity Commission.

<https://www.gov.uk/government/organisations/charity-commission>

### **Basis of accounting**

These financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practise as it applies from 1 January 2015. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Royal Albert Hall Trust meets the definition of a public benefit entity under FRS 102.

### **Going Concern**

Having assessed the Trust's financial position, its plans for the foreseeable future, the risks to which it is exposed and forecast projections the Trustees of the Charity are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, which are described below, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

### **Financial instruments**

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

### **Accounting for income**

Income is recognised in the period in which the charity is entitled to receipt of the funds if performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

### **Expenditure**

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered. Expenditure comprises the following:

## Principal accounting policies 31 December 2022

### **Expenditure (continued)**

- a. The costs of raising funds comprise of bank charges payable.
- b. Donations to The Corporation of the Hall of Arts and Sciences represent the transfer of monies to fund the maintenance and preservation of the Royal Albert Hall and to fund the advancement of education by the provision of instructive activities relating to the Royal Albert Hall.
- c. Governance costs comprise audit fees specific to the Trust.

### **Gifts in kind**

Donated administration services and facilities received from the Corporation are not included in the Statement of Financial Activities because they are deemed immaterial and would be impossible to quantify with sufficient accuracy.

### **Funds**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

Unrestricted funds comprise amounts which may be applied towards the Trust's charitable activities at the discretion of the trustees.

### **Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### **Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## 1 Income from donations and legacies

	Total 2022 £'000	Total 2021 £'000
Income from donations	2,787	4,134
Income from legacies	86	248
	<b>2,873</b>	<b>4,382</b>

## 2 Expenditure on charitable activities

	Total 2022 £'000	Total 2021 £'000
Cost of activities in furtherance of the charitable objectives	2,094	3,479

Included within expenditure on charitable activities as support costs are governance costs of £16k (2021: £2k), including statutory audit fees of £3k (2021: £2k).

## 3 Trustees and employees

The trustees received neither remuneration nor reimbursement of expenses for their services during the year (2021 - £nil).

The trustees of the charity are covered by indemnity insurance taken out by the Corporation of the Hall of Arts and Sciences in respect of all directors, trustees and officers of the Corporation, its subsidiaries and related trusts. The total premium for the indemnity cover which was charged to the Corporation in 2022 was £17k (2021 - £17k) and the cover provided was £5 million (2021 - £5 million).

The Trust has no employees (2021 - none).

## 4 Related party transactions

The accounts have been consolidated with those of The Corporation of the Hall of Arts and Sciences (registered number: 254543). The address of the registered office is Royal Albert Hall, Kensington Gore, London, SW7 2AP, UK. The Corporation, which through the appointment of the trustees has overall control of the Trust.

During the year, the Trust made a donation to the Corporation of £2.1m (2021: £3.5m).

One Trustee made donations to the Charity to carry out its charitable objectives during the year of £200k (2021: £300k from two trustees).

Notes to the accounts 31 December 2022

**5 Taxation**

The Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**6 Debtors**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Amounts due from the Corporation of the Hall of Arts and Sciences	<b>2,398</b>	643
Prepayments and accrued income	<b>31</b>	423
Other debtors	<b>189</b>	730
	<b>2,618</b>	1,796

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

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Other creditors	<b>22</b>	14
	<b>22</b>	14

**8 Funds**

	As at 01/01/2022 £'000	Income £'000	Expenditure £'000	As at 31/12/2022 £'000
Building fund	1,694	878	(510)	<b>2,062</b>
Education fund	95	231	(216)	<b>110</b>
Production fund	-	500	(76)	<b>424</b>
Unrestricted fund	-	1,293	(1,293)	-
	<b>1,789</b>	<b>2,902</b>	<b>(2,095)</b>	<b>2,596</b>

	As at 01/01/2021 £'000	Income £'000	Expenditure £'000	As at 31/12/2021 £'000
Building fund	250	3,279	(1,835)	<b>1,694</b>
Education fund	168	53	(126)	<b>95</b>
Unrestricted fund	-	1,519	(1,519)	-
	<b>418</b>	<b>4,851</b>	<b>(3,480)</b>	<b>1,789</b>

## 8 Funds (continued)

Restricted funds comprise the Building Fund, Education Fund and Production Fund. The Building Fund is held for the preservation and maintenance of the Royal Albert Hall. The Education Fund represents donations received in respect of specific education projects to be delivered by The Corporation of the Hall of Arts and Sciences. The Production Fund is held to fund the Hall's Artistic Development programme.

Unrestricted funds comprise of amounts received that will be donated to the Hall in furtherance of its objectives.

## 9 Analysis of net assets between funds

	Restricted Funds				<b>2022 Total £'000</b>
	Unrestricted Funds £'000	Education Fund £'000	Building Fund £'000	Production Fund £'000	
Current assets	22	110	2,062	424	<b>2,618</b>
Creditors: amounts falling due within one year	(22)	-	-	-	<b>(22)</b>
	-	110	2,062	424	<b>2,596</b>

	Restricted Funds				<b>2021 Total £'000</b>
	Unrestricted Funds £'000	Education Fund £'000	Building Fund £'000	Production Fund £'000	
Current assets	14	95	1,694	-	<b>1,803</b>
Creditors: amounts falling due within one year	(14)	-	-	-	<b>(14)</b>
	-	95	1,694	-	<b>1,789</b>

**10 2021 Comparative Statement of Financial Activities**

	Notes	Unrestricted funds '000	Restricted funds £'000	2021 Total funds £'000
<b>Income:</b>				
Donations and legacies		1,500	3,332	<b>4,832</b>
Investment income and interest		-	-	-
Commercial trading operations		19	-	<b>19</b>
<b>Total income</b>		<b>1,519</b>	<b>3,332</b>	<b>4,851</b>
<b>Expenditure:</b>				
<i>Cost of raising funds:</i>				
Commercial trading operations		1	-	<b>1</b>
<i>Expenditure on charitable activities</i>				
Cost of activities in furtherance of the charitable objectives	1	1,517	1,962	<b>3,479</b>
<b>Total expenditure</b>		<b>1,518</b>	<b>1,962</b>	<b>3,480</b>
<b>Net income</b>		<b>1</b>	<b>1,370</b>	<b>1,371</b>
<b>Net movement in funds</b>		<b>1</b>	<b>1,370</b>	<b>1,371</b>
<b>Fund balances brought forward at 1 January</b>		<b>-</b>	<b>418</b>	<b>418</b>
<b>Fund balances carried forward at 31 December</b>		<b>1</b>	<b>1,788</b>	<b>1,789</b>