

Savoy Theatre Limited

Directors' report and financial statements

Period ended 30 June 2005

Registered number: 53830





Savoy Theatre Limited

Directors' report and financial statements

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Savoy Theatre Limited

Directors and other information

Directors

T.P Dowd (Non executive)
M.R France
G McKenna
M Hennebry

Secretary

T.P Dowd

Registered office

30 Old Burlington Street
4th Floor, Mayfair
London
W1S 3AR

Auditors

KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

Bankers

Barclays Bank Plc
Business Banking Larger Business
27th floor, 1 Churchill Place
London
E14 5HP

Solicitors

DLA
3 Noble Street
London
EC2V 7EE

Savoy Theatre Limited

Directors' report

The directors present their annual report and the audited financial statements for the 18 month period ended 30 June 2005.

Activities

The principal activity of the company is the ownership of The Savoy Theatre.

Review of developments and future prospects

The profit and loss account is set out on page 7. The loss for the 18 month period amounted to £186,392. (Restated loss for 12 month period ended 31 December 2003 – £16,464).

The directors expect that the present activity level will be sustained for the foreseeable future.

Dividends

During the period no dividends were paid or proposed to the immediate parent company, Savoy Theatre Holdings Ltd (2003: £nil).

Directors and their interests

The directors who served during the period were as follows:

J.Z Kukral	Resigned 13 May 2004	
J.D Gray	Resigned 13 May 2004	
J.V Cerialle	Resigned 13 May 2004	
T Barrack Jr	Resigned 13 May 2004	
T.P Dowd	Appointed 06 May 2004	
P Donnelly	Appointed 06 May 2004	Resigned 23 March 2005
M.R France	Appointed 29 July 2004	
D.W Allen	Appointed 29 July 2004	Resigned 23 March 2005
G McKenna	Resigned 13 May 2004	Reappointed 05 April 2005
M Hennebry	Appointed 30 August 2005	

The directors do not hold any material interests in the shares of the company or any other company in the group.

Savoy Theatre Limited

Directors' report *(continued)*

Disabled persons

The company's policy is to give full and fair consideration to the recruitment of disabled persons having regard to their particular aptitudes and abilities. Appropriate training will be arranged for disabled persons. The company's personnel policies ensure that all its employees are made aware, on a regular basis, of the company's policies, programmes and progress.

Donations

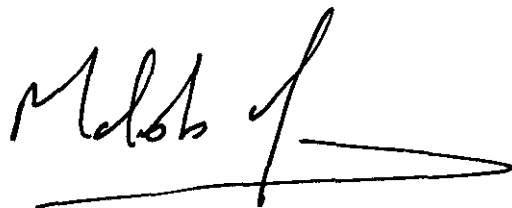
The company made no political or charitable donations during the period.

Auditors

The auditors, KPMG, were appointed during the period and in accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

Director



5 October 2005

Savoy Theatre Limited

Statement of directors' responsibilities

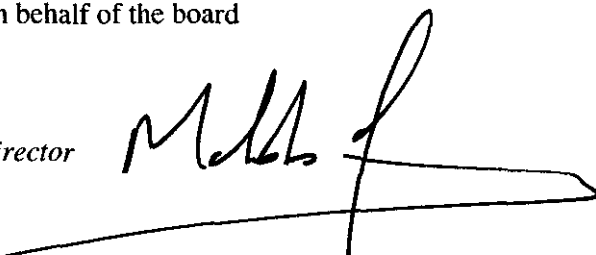
United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Director



5 October 2005



KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditors' report to the members of Savoy Theatre Limited

We have audited the financial statements on pages 7 to 19.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



Independent auditors' report to the members of Savoy Theatre Limited (*continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

*Chartered Accountants
Registered Auditors*

5 October 2005

Savoy Theatre Limited

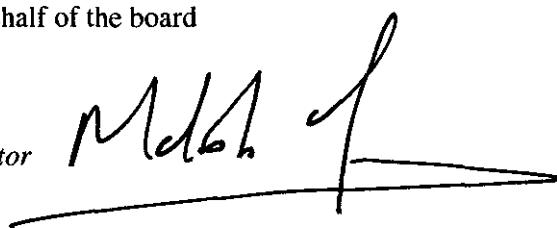
Profit and loss account

for the 18 month period ended 30 June 2005

		18 months to 30 June 2005 £	12 months to 31 December 2003 £ (as restated - note 6)
	Note		
Turnover – continuing operations	2	1,148,888	552,136
Cost of sales		(198,859)	(100,906)
		<hr/>	<hr/>
Gross profit		950,029	451,230
Administrative expenses		(1,117,421)	(488,694)
		<hr/>	<hr/>
Operating loss – continuing operations	4	(167,392)	(37,464)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		(167,392)	(37,464)
Tax (charge) credit on loss on ordinary activities	5	(19,000)	21,000
		<hr/>	<hr/>
Loss for the financial period	13	(186,392)	(16,464)
		<hr/>	<hr/>

On behalf of the board

Director



5 October 2005

Savoy Theatre Limited

Statement of total recognised gains and losses

For the 18 month period ended 30 June 2005

	18 months to 30 June 2005 £	12 months to 31 December 2003 £ <i>(as restated - note 6)</i>
Loss for the financial period	(186,392)	(16,464)
Total recognised gains and losses relating to the period	(186,392)	(16,464)
Prior period adjustment (note 6)	(122,000)	-
Total recognised gains and losses since the last financial statements	(308,392)	(16,464)

Savoy Theatre Limited

Balance sheet

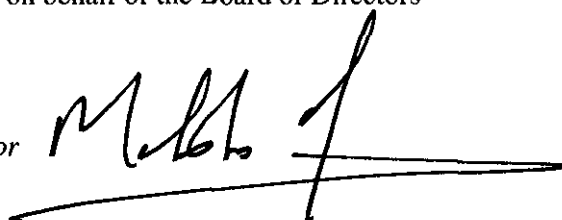
at 30 June 2005

	Note	30 June 2005 £	31 December 2003 £ (as restated note 6)
Fixed assets			
Tangible assets	7	7,074,724	7,645,652
Current assets			
Stocks	8	11,851	7,455
Debtors	9	809,197	521,027
Cash at bank and in hand		190,680	122,204
		<u>1,011,728</u>	<u>650,686</u>
Creditors: amounts falling due within one year	10	<u>(3,470,044)</u>	<u>(3,512,538)</u>
Net current liabilities		<u>(2,458,316)</u>	<u>(2,861,852)</u>
Total assets less current liabilities		<u>4,616,408</u>	<u>4,783,800</u>
Provision for liabilities and charges			
Deferred taxation	11	<u>(384,000)</u>	<u>(365,000)</u>
Net assets		<u>4,232,408</u>	<u>4,418,800</u>
Capital and reserves			
Called up share capital	12	41,250	41,250
Revaluation reserve	13	4,017,421	4,017,421
Profit and loss account	13	173,737	360,129
Equity shareholders' funds		<u>4,232,408</u>	<u>4,418,800</u>

These financial statements were approved by the Board of Directors on 5 October 2005.

Signed on behalf of the Board of Directors

Director



5 October 2005

Savoy Theatre Limited

Notes

forming part of the financial statements

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the directors are described below.

Basis of preparation

The financial statements are prepared in Sterling in accordance with generally accepted accounting principles under the historical cost convention, modified by the revaluation of certain assets, and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in England and Wales.

Cash flow statement

As described in note 18, the Company's ultimate parent undertaking publishes financial statements which are publicly available. Those financial statements include a consolidated cash flow statement. For this reason the exemption requirements of FRS 1 "Cash Flow Statements" are met and the Company has therefore not prepared a cash flow statement.

Group accounts

The Company is exempt from the obligation to prepare consolidated accounts by virtue of S228 of the Companies Act 1985 in that it is a wholly owned subsidiary of its ultimate parent and controlling undertaking which itself prepares group accounts which are publicly available as described in note 18. These financial statements are therefore entity financial statements and are not consolidated financial statements.

Turnover

Turnover derives from the sale of tickets and ancillary services and excludes value added tax. All turnover is derived from UK operations.

Fixed assets

Expenditure on development of the company's theatre, including major replacement and improvement of assets, is disclosed as land and buildings, plant, machinery, fixtures and fittings. Land and buildings includes the costs associated with structural improvements to freehold properties.

Depreciation

Depreciation is not charged on freehold property as the company has a policy and practice of regular maintenance and repair (charges for which are recognised in the profit and loss account), the property is unlikely to suffer from economic or technological obsolescence, the company has a policy and practice of disposing of similar assets well before the end of their economic lives and the disposal proceeds of similar assets have not been materially less than their carrying amounts.

The appraisal of residual values for each property is based on prices prevailing at the time of the acquisition or subsequent valuation of the property in question. In the event of any impairment in property value below historical cost, provision for impairment charges to the profit and loss account.

Savoy Theatre Limited

Notes

forming part of the financial statements

1. Accounting policies (*continued*)

No depreciation is charged on archive materials and manuscripts as they are maintained in good condition and they are expected to have a high residual value.

Depreciation of other tangible assets is provided on a straight-line basis over the following useful lives:

Plant and machinery	between 4 and 20 years
Fixtures and fittings	between 5 and 20 years

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding commitment to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Net investment in finance leases

The total net investment in finance leases included in the balance sheet represents total lease payments receivable, net of finance charges relating to future accounting periods. Finance charges are allocated to accounting periods so as to give a constant rate of return on the net cash investment in the lease.

Savoy Theatre Limited

Notes

forming part of the financial statements

2. Turnover

	18 months to 30 June 2005 £	12 months to 31 December 2003 £
Theatre ticket sales and ancillary services	1,148,888	552,136

All revenue is derived from operations within the United Kingdom.

3. Information regarding directors and employees

	18 months to 30 June 2005 No.	12 months to 31 December 2003 No.
Average monthly number of persons employed (excluding directors)	4	2

	18 months to 30 June 2005 £	12 months to 31 December 2003 £
Staff costs during the year (excluding directors)		
Wages and salaries	74,160	29,483
Social security costs	-	-
Life assurance costs	4,278	2,620
	78,438	32,103

The directors receive no remuneration for their services to this company.

Savoy Theatre Limited

Notes

forming part of the financial statements

4. Operating costs

	18 months to 30 June 2005	12 months to 31 December 2003
	£	£
Operating loss is stated after charging:		
Depreciation – owned assets	99,403	68,492
Auditors' remuneration – audit services	-	10,000
	<u> </u>	<u> </u>

Auditor's remuneration for the 18 months to 30 June 2005 has been borne by the ultimate parent company.

5. Tax credit on loss on ordinary activities

	18 months to 30 June 2005	12 months to 31 December 2003
	£	£
UK corporation tax for year at 30% (2003: 30%)	-	-
Deferred tax credit/(charge)		
Timing differences: origination and reversal	12,000	20,000
Adjustments in respect of prior years	(31,000)	1,000
Increase/(decrease) in discount	-	-
	<u> </u>	<u> </u>
Total deferred tax credit/(charge)	(19,000)	21,000

Savoy Theatre Limited

Notes

forming part of the financial statements

5. Tax credit on loss on ordinary activities

Factors affecting corporation tax charge for the current period

The corporation tax assessed for the period is higher (2003: higher) than that resulting from applying the standard rate of corporation tax in the UK of 30% (2003: 30%).

The differences are explained below:

	18 months to 30 June 2005 £	12 months to 31 December 2003 £
Loss on ordinary activities before tax	(167,392)	(37,464)
Current tax at 30% thereon:	(50,218)	(11,239)
Effects of:		
Expenses not deductible for tax purposes	1,158	-
Capital allowances in excess of qualifying depreciation	(17,741)	20,000
Other timing differences	30,000	-
Group relief received for nil consideration	(62,365)	(8,761)
Group relief surrendered for nil consideration	24,646	-
Chargeable gain over accounting profit on disposal of fixed assets	74,520	-
Current tax charge for the period	-	-

Factors that may affect the future tax charge

Deferred tax has not been provided for corporation tax on chargeable gains which would arise on disposal of fixed assets based on the difference between the accounts carrying value and the tax base cost of the assets. This tax will only become payable if the assets are sold and rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £0.92 million (2003: £1.3 million).

6. Prior year adjustment

Prior to 1 January 2004, the company's accounting policy was to provide for timing differences that were expected to reverse in the foreseeable future using a discounted cashflow basis. The company was acquired during the current period by Coroin Ltd a company incorporated on 2 April 2004. Coroin Ltd has adopted an accounting policy of providing for deferred tax balances on an undiscounted basis. For comparability with other group members, the company has changed its accounting policy in line with its ultimate parent undertaking Coroin Ltd.

Savoy Theatre Limited

Notes

forming part of the financial statements

6. Prior year adjustment (continued)

This change in policy has been accounted for as a prior period adjustment and previously reported figures have been restated where necessary. The effect has been to decrease the company's opening cumulative reserves at January 2004 by £122,000 Savoy Theatre Limited

7. Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings, plant and machinery £	Archive materials and manuscripts £	Total £
Cost or valuation				
As at 1 January 2004	7,000,000	1,335,914	5,651	8,341,565
Additions	-	18,475	-	18,475
Disposals	(490,000)	-	-	(490,000)
	<u>6,510,000</u>	<u>1,354,389</u>	<u>5,651</u>	<u>7,870,040</u>
At 30 June 2005	6,510,000	1,354,389	5,651	7,870,040
Accumulated depreciation				
As at 1 January 2004	-	695,913	-	695,913
Charge for the 18 months	-	99,403	-	99,403
	<u>-</u>	<u>795,316</u>	<u>-</u>	<u>795,316</u>
At 30 June 2005	-	795,316	-	795,316
Net book value				
At 30 June 2005	<u>6,510,000</u>	<u>559,073</u>	<u>5,651</u>	<u>7,074,724</u>
As at 31 December 2003	<u>7,000,000</u>	<u>640,002</u>	<u>5,651</u>	<u>7,645,652</u>

Borrowings of the company's parent, Coroin Limited, and other group companies, are secured by a fixed and floating charge over the assets of the company.

Savoy Theatre Limited

Notes

forming part of the financial statements

8. Stocks

	2005 £	2003 £
Raw materials and consumables	<u>11,851</u>	<u>7,455</u>

9. Debtors

	2005 £	2003 £
Trade debtors	127,089	213,301
Other debtors	600,506	284,524
Prepayments	81,602	23,202
	<u>809,197</u>	<u>521,027</u>

10. Creditors: amounts falling due within one year

	2005 £	2003 £
Trade creditors	307,482	366,596
Amount owed to group undertakings	2,901,897	2,917,055
Other taxes and social security	85,517	83,720
Pension scheme discharge	100,000	
Other creditors	28,204	22,921
Accruals and deferred income	46,944	122,246
	<u>3,470,044</u>	<u>3,512,538</u>

The Savoy Theatre Limited ceased to participate in The Maybourne Hotels Group Pension & Life Insurance Scheme for section 75 purposes on 15 May 1999. The trustees and The Savoy Theatre Limited have agreed to enter into a deed to confirm that in the consideration of the payment of £100,000 to the Trustees, the Trustees will treat the Savoy Theatre Limited as being discharged from any and all liabilities to make any further payments to the Scheme.

Savoy Theatre Limited

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forming part of the financial statements

11. Deferred tax

	2005	2003
	£	as restated £
Movement in deferred tax provision		
At beginning of period	365,000	386,000
Credit to profit and loss account	<u>19,000</u>	<u>(21,000)</u>
At end of period	<u>384,000</u>	<u>365,000</u>

	2005	2003
	£	as restated £
Analysis of deferred tax balance		
Capital allowances in excess of depreciation	414,000	365,000
Other timing differences	<u>(30,000)</u>	<u>365,000</u>
Undiscounted provision for deferred tax	384,000	365,000
Discount on timing differences	-	-
Undiscounted provision for deferred tax	<u>384,000</u>	<u>365,000</u>

12. Called up share capital - Equity

	2005	2003
	£	£
Authorised, allotted, called up and fully paid:		
7,500 Ordinary shares of £5.50 each	<u>41,250</u>	<u>41,250</u>

Savoy Theatre Limited

Notes

forming part of the financial statements

13. Reserves

	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2004 – as previously stated	4,017,421	482,129	4,499,550
Prior period adjustment (Note 6)	-	(122,000)	(122,000)
As restated	4,017,421	360,129	4,377,550
Loss for the period	-	(186,392)	(186,392)
At 30 June 2005	<u>4,017,421</u>	<u>173,737</u>	<u>4,191,158</u>

14. Reconciliation of movement in shareholders' funds

	2005 £	2003 Restated £
Loss for the financial year	(186,392)	(16,464)
At 1 January 2004	<u>4,418,800</u>	<u>4,435,264</u>
At 30 June 2005	<u>4,232,408</u>	<u>4,418,800</u>

15. Financial commitments

There were no capital or financial commitments at the balance sheet date (2003: £nil).

16. Related party disclosures

The Group is exempt under the provisions of paragraph 3, Financial Reporting Standard 8 "Related Party Disclosures" from disclosing details of transactions with Group related parties.

Savoy Theatre Limited

Notes

forming part of the financial statements

17. Ultimate parent company

At 30 June 2005, the company's immediate parent company was Savoy Theatre Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. The company's ultimate parent company was Coroin Limited, a company incorporated in Great Britain and registered in England and Wales. This is the largest group in which the results of the company are consolidated. Copies of those statutory accounts will be available from its registered office, 30 Old Burlington Street, Mayfair, London, W1S 3AR

The company's ultimate controlling party is Coroin Limited.