

RSC Enterprise Limited

**Directors' report and financial
statements**

Registered number 2360172

For the year ended 31 March 2005



Contents

Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report to the members of RSC Enterprise Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

Directors' report

The directors submit their report and financial statements for the year ended 31 March 2005.

Principal activity

The company's principal activity is to undertake the commercial operations relating to The Royal Shakespeare Company and its productions.

Business review

The company's profits have increased on the prior year due to an increase in turnover. The gross margin achieved on sales has remained consistent with the prior year.

Results and dividends

The results for the year are shown on page 4 of the accounts. The operating profit for the year of £237,979 (2004: £215,638) has been transferred to the Royal Shakespeare Company via a deed of covenant.

The directors do not recommend the payment of a dividend (2004: £Nil).

Directors and directors' interests

The directors who held office during the year, are as follows:

N Benson OBE FCA
R Dobbs
C Leadbeater
A Seth
A Parker (appointed 28 March 2004)

None of the directors have any beneficial interest in the shares of the company.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming board meeting.

By order of the board



N Benson
Director



A Parker
Director

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the company's state of affairs at the end of the period and profit or loss for the period then ended. 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP
2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of RSC Enterprise Limited

We have audited the financial statements on pages 4 to 8.

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 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 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

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 to you 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
Chartered Accountants
Registered Auditor

13 September 2005

Profit and loss account
for the year ended 31 March 2005

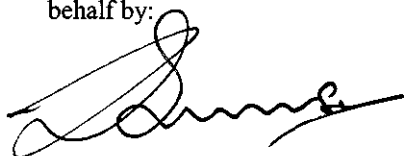
	<i>Note</i>	2005 £	2004 £
Turnover - continuing operations	<i>1</i>	987,766	962,092
Cost of sales		(432,321)	(449,409)
		<hr/>	<hr/>
Gross profit		555,445	512,683
Selling and distribution costs		(79,008)	(60,315)
Administrative expenses		(243,875)	(242,863)
Other operating income		5,417	6,133
		<hr/>	<hr/>
Operating profit - continuing operations	<i>2</i>	237,979	215,638
Gross amount transferred to The Royal Shakespeare Company		(237,979)	(215,638)
		<hr/>	<hr/>
Result for the financial period		-	-
		<hr/>	<hr/>

There were no recognised gains or losses in the current or preceding period other than those reported in the profit and loss account. There has been no movement on total equity shareholders' funds.

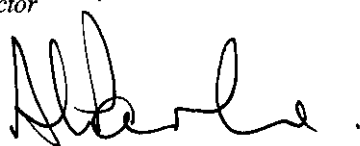
Balance sheet
at 31 March 2005

	<i>Note</i>	2005	2004
		£	£
Fixed assets			
Tangible fixed assets	4	51,692	6,067
Current assets			
Stocks	5	183,354	171,525
Debtors	6	74,330	23,096
Cash at bank and in hand		60,470	369,488
		<u>318,154</u>	<u>564,109</u>
Creditors: amounts falling due within one year	7	<u>(369,746)</u>	<u>(570,076)</u>
Net current liabilities		<u>(51,592)</u>	<u>(5,967)</u>
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account		-	-
Total equity shareholders' funds		<u>100</u>	<u>100</u>

These financial statements were approved by the board of directors on 13 September 2005 and were signed on its behalf by:



N Benson
Director



A Parker
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements are prepared under the historical cost accounting rules and in accordance with applicable UK Accounting Standards on the basis of a going concern which assumes the continued support of the company's ultimate parent undertaking.

Cash flow exemption

The company is exempt from the requirement of Financial Reporting Standard 1 (revised) to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

Fixed assets and depreciation

In accordance with Financial Reporting Standard 15 "Tangible Fixed Assets", depreciation is provided in order to write off the cost less residual value over the estimated lives of the assets. The rates of depreciation are as follows:

Motor vehicles	-	25%
Fixtures and fittings	-	5-20%
Equipment	-	5-25%

Stocks

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

Turnover

Turnover represents sale of goods net of associated VAT, plus income from the Eliance catering contract.

2 Operating profit

	2005 £	2004 £
<i>Operating profit is stated</i>		
<i>after charging</i>		
Auditors' remuneration:		
Audit fees	3,000	3,000
Depreciation	5,013	2,262
	<hr/>	<hr/>

3 Staff numbers and costs

The company uses the services of staff employed by The Royal Shakespeare Company whose costs are recharged.

The directors received no remuneration in relation to their work for the company.

Notes (continued)

4 Tangible fixed assets

	Motor vehicles	Fixtures and fittings	Equipment	Total
	£	£	£	£
Cost				
At beginning of year	6,700	4,979	-	11,679
Additions	-	43,460	7,178	50,638
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	6,700	48,439	7,178	62,317
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of year	5,025	587	-	5,612
Charge for year	1,675	2,590	748	5,013
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	6,700	3,177	748	10,625
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2005	-	45,262	6,430	51,692
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	1,675	4,392	-	6,067
	<hr/>	<hr/>	<hr/>	<hr/>

Fixed assets are held at historical cost less accumulated depreciation.

5 Stocks

	2005 £	2004 £
Finished goods and goods for resale	183,354	171,525
	<hr/>	<hr/>

6 Debtors

	2005 £	2004 £
Trade debtors	62,225	11,815
Prepayments	10,646	11,281
Other debtors	1,459	-
	<hr/>	<hr/>
	74,330	23,096
	<hr/>	<hr/>

Notes (continued)

7 Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to parent undertaking	317,623	548,753
Other creditors and accruals including taxation and social security	52,123	21,323
	<hr/> 369,746 <hr/>	<hr/> 570,076 <hr/>

8 Called up share capital

	2005 £	2004 £
<i>Authorised:</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted and called up:</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

9 Related party transactions

As a wholly owned subsidiary of The Royal Shakespeare Company, the company has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the Royal Shakespeare Company group. Note 10 gives details of how to obtain copies of the financial statements of the Royal Shakespeare Company.

10 Ultimate parent undertaking

The company's ultimate parent undertaking is The Royal Shakespeare Company, a charity registered in England. Copies of the financial statements of The Royal Shakespeare Company may be obtained from The Royal Shakespeare Company, Stratford-upon-Avon, Warwickshire, its principal place of business.