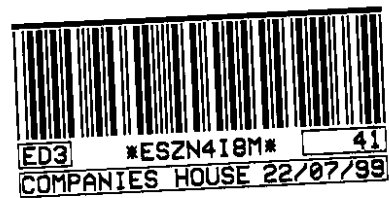


**Royal Collection Enterprises Limited**

**Directors' report and financial statements**

31 March 1999

Registered number 2778486



# Royal Collection Enterprises Limited

## Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1 - 5
Statement of directors' responsibilities	6
Auditors' report	7
Profit and loss account	8
Balance sheet	9
Notes	10 - 20

# Royal Collection Enterprises Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 1999.

## Principal activities

The principal activities of the company are the management of public access to occupied Royal Palaces and the sale of merchandise in shops at each location. Taxable profits are donated in full under deed of covenant to the holding company, The Royal Collection Trust, a company limited by guarantee and registered as a charity.

## Business review

The purpose of Royal Collection Enterprises Limited is to generate income for The Royal Collection Trust for:

- the presentation, maintenance and conservation of the Royal Collection;  
and
- the restoration of the fire-damaged areas of Windsor Castle.

Income is raised from admission charges and shop sales at the following locations:

Windsor Castle  
The Education Centre, Windsor Castle  
Buckingham Palace State Rooms (open for two months in the summer)  
The Queen's Gallery, Buckingham Palace  
The Royal Mews, Buckingham Palace  
The Palace of Holyroodhouse  
Frogmore House, Windsor Castle Home Park

In addition to the above, income is raised through fees for reproducing images of items in the Royal Collection.

As the funding of the Windsor Castle fire restoration is substantially complete at 31 March 1999, the surplus arising from the Buckingham Palace Summer Opening will be used to fund the presentation, maintenance and conservation of the Royal Collection. The surplus arising from the Windsor Castle Precincts admission charge will be used for maintenance and conservation at Windsor Castle.

# Royal Collection Enterprises Limited

## **Directors' report** *(continued)*

### **Business review** *(continued)*

During the year visitor numbers increased by 215,000 (10.8%) from 1,997,000 to 2,212,000 and turnover increased by £1,741,000 (10.5%) from £16,517,000 to £18,258,000. Whilst most of the increase in visitor numbers arose at Windsor Castle, the Buckingham Palace Summer Opening, the Royal Mews and the Palace of Holyroodhouse also experienced growth in visitor numbers. Improved margins on retail sales and increased visitor numbers ensured that gross profit increased by £656,000 (8.8%) from £7,478,000 to £8,134,000. This resulted in £7,892,000 being contributed to the Trust, an increase of £557,000 (7.6%) on the previous year.

### **Windsor Castle**

The opening of the restored State Apartments at Windsor Castle in December 1997 was followed by a busy year during which 1,439,000 people (1997-98:1,253,000) toured the Castle. The opening of additional restored rooms in the winter months has proved popular and resulted in an overall increase in visitors over that period. This has been accompanied by a welcome reduction in the number of very busy days during the summer when the facilities and fabric of the Castle have often been put under pressure.

In order to enhance the level of security checking and provide a more fitting entrance to the Castle for paying visitors, a new Admissions Centre is being constructed by the Royal Household Property Section within a redundant store adjacent to Castle Hill. This will provide increased covered waiting areas, additional lavatories and guidebook and acoustic tour sales points. It will open in July 1999.

### **Buckingham Palace**

At Buckingham Palace, improved marketing and an additional 4 days open helped increase visitor numbers to the Summer Opening by 16,000 (5.1%) from 313,000 to 329,000 during the 60 days the Palace was open. Increased sales from the ticket office in Green Park were attributed to a successful publicity campaign on London Underground, which used a painting of the Throne Room at Buckingham Palace commissioned by the Royal Collection from Alison Pullen.

The State Rooms at Buckingham Palace will be open again from 6 August to 3 October 1999.

# Royal Collection Enterprises Limited

## **Directors' report** *(continued)*

### **Business review** *(continued)*

As well as the State Rooms at Buckingham Palace, which are open during the summer, The Queen's Gallery and the Royal Mews are open throughout the year. Together they had 144,000 visitors compared with 148,000 in 1997-98.

Four exhibitions were held at The Queen's Gallery during the year. These were *Michelangelo* (18 days: 8,700 visitors) *The Quest for Albion. Monarchy and the Patronage of British Painting*, (150 days: 30,100 visitors) *Mark Catesby's Natural History of America* (72 days: 5,600 visitors) and *Charles I: King and Martyr* (62 days: 14,200 visitors). While good media coverage was obtained for all exhibitions, attendance figures were below expectations. The final exhibition at The Queen's Gallery prior to its closure for re-development is *Raphael* (21 May 1999 – 10 October 1999).

The Royal Mews was open on Tuesdays and Thursdays during the winter (an additional 45 days) which helped increase visitor numbers by 14,000 (19%) from 72,000 to 86,000. In 1999-00 the Royal Mews is also expected to be open on Mondays throughout the year resulting in an additional 40 days open. Increased access to the Royal Mews will be accompanied by various improvements for visitors which include the display of one of the State Rolls-Royces and an exhibition to help explain the importance and working nature of the Royal Mews.

### **The Palace of Holyroodhouse**

Visitor numbers to the Palace of Holyroodhouse increased by 21,000 (6.9%) from 270,000 to 291,000, an encouraging result when compared with many other leading visitor attractions in Scotland. The opening of the nearby attraction 'Our Dynamic Earth' in July 1999 and the new Scottish Parliament in 2001 will transform the area surrounding the Palace where a number of initiatives are being considered. These include the construction of a new gallery, improved facilities for visitors and an Education Centre.

### **Retailing**

Shop sales increased by £59,000 (1.1%) from £5,560,000 to £5,619,000 but improvements in gross profit margins and lower direct costs helped produce an increase in gross profit of £271,000 (19.9%) from £1,364,000 to £1,635,000. The merchandise developed to commemorate the restoration of Windsor Castle proved to be particularly popular at Windsor and continues to sell well. Further new product developments are underway.

# Royal Collection Enterprises Limited

## **Directors' report** *(continued)*

### **Business review** *(continued)*

#### **Picture Library**

Fees for the right to use images from the Royal Collection in books, magazines, films and television programmes increased by £33,000 (20%) from £165,000 to £198,000 in 1998-99. The main projects included television series on Hampton Court Palace and the Padshahnama. A new picture library management system was implemented in June 1999 which, combined with improved marketing and the introduction of credit facilities, is expected to make the picture library more accessible to publishers and other picture researchers and provide further opportunities for growth in fee income. Future developments being actively considered include the use of digital technology for new photography as well as the digitisation of existing images.

#### **Year 2000**

Following a review of the company's operating systems in the previous year, management developed a plan to ensure that potential year 2000 problems were addressed well before 31 December 1999. The upgrade of the Buckingham Palace Summer Opening ticketing system and retail systems at all trading locations during the year and the upgrade of the Windsor Castle ticketing system in June 1999, should ensure that the company's principal operating systems are millennium compliant. As some of the systems were due for renewal or enhancement, the cost of addressing year 2000 problems are estimated at £186,000.

#### **Distributions**

During the year, distributions were made in the form of payments under deed of covenant amounting to £7,892,000 (1997-98: £7,335,000).

The directors do not recommend any further distribution.

After distributions, the loss for the year retained in the company is £68,000 (1997-98: £99,000).

# Royal Collection Enterprises Limited

## **Directors' report** *(continued)*

### **Directors and directors' interests**

The directors who held office during the year were as follows:

Sir Michael Peat (Chairman)  
Hugh Roberts  
Oliver Everett  
Christopher Lloyd  
Jonathan Marsden  
Edward Hewlett  
Michael Stevens  
Richard Arbiter  
Nuala McGourty (appointed 1 December 1998)  
Gail Johnson

None of the directors who held office at 31 March 1999 had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the year.

### **Liability insurance**

During the year the company purchased liability insurance for its officers.

By order of the board

  
**Sir Michael Peat**  
*Chairman*

Stable Yard House  
St James's Palace  
London  
SW1A 1JR

7 June 1999

# Royal Collection Enterprises Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company 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 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which 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.



Auditors' report to the members of  
Royal Collection Enterprises Limited

We have audited the financial statements on pages 8 to 20.

*Respective responsibilities of directors and auditors*

As described on page 6 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

*Basis of 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 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

**KPMG**  
*Chartered Accountants*  
*Registered Auditors*

7 June 1999  
London

# Royal Collection Enterprises Limited

## Profit and loss account

*for the year ended 31 March 1999*

	<i>Note</i>	<b>1999</b> <b>£000</b>	<b>1998</b> <b>£000</b>
<b>Turnover</b>	<i>1,2</i>	<b>18,258</b>	16,517
Direct costs, including cost of sales	<i>2</i>	<b>(10,124)</b>	(9,039)
		<hr/>	<hr/>
<b>Gross profit</b>	<i>2</i>	<b>8,134</b>	7,478
Administrative expenses		<b>(554)</b>	(576)
Other operating income		<b>76</b>	196
		<hr/>	<hr/>
<b>Operating profit</b>		<b>7,656</b>	7,098
Interest receivable and other similar income	<i>7</i>	<b>175</b>	154
Interest payable and other similar charges	<i>8</i>	<b>(7)</b>	(16)
		<hr/>	<hr/>
<b>Profit on ordinary activities before and after taxation</b>	<i>4</i>	<b>7,824</b>	7,236
Distributions by deed of covenant		<b>(7,892)</b>	(7,335)
		<hr/>	<hr/>
<b>Retained loss for the financial year</b>	<i>15</i>	<b>(68)</b>	(99)
		<hr/>	<hr/>

The results shown above relate to continuing activities.

There are no recognised gains or losses other than those included above.

The profit on ordinary activities before and after taxation is measured under the historical cost convention.

# Royal Collection Enterprises Limited

## Balance sheet at 31 March 1999

	Note	1999		1998	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	9		1,401		1,416
<b>Current assets</b>					
Stocks		582		683	
Debtors	10	905		631	
Cash at bank and in hand		1,980		2,464	
		<u>3,467</u>		<u>3,778</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(3,648)</u>		<u>(3,914)</u>	
<b>Net current liabilities</b>			(181)		(136)
<b>Total assets less current liabilities</b>			1,220		1,280
<b>Creditors: amounts falling due after more than one year</b>	12		(10)		(2)
<b>Net assets</b>			<u>1,210</u>		<u>1,278</u>
<b>Capital and reserves</b>					
Called up share capital	14		-		-
Capital reserve	15		367		447
Profit and loss account	15		843		831
<b>Equity shareholders' funds</b>			<u>1,210</u>		<u>1,278</u>

These financial statements were approved by the board of directors on 7 June 1999 and were signed on its behalf by:



Sir Michael Peat  
Chairman

# Royal Collection Enterprises Limited

## 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 company's financial statements.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of The Royal Collection Trust (limited by guarantee) and its cash flows are included within the consolidated cash flow statement of that company.

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose the detail of related party transactions with its parent undertaking.

#### ***Turnover***

Turnover represents the amounts (excluding value added tax) derived from the collection of admission charges to occupied Royal Palaces and the sale of goods and reproduction rights.

#### ***Fixed assets and depreciation***

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Property improvements	-	10 or 20 years
Shop fittings	-	5 to 10 years
Plant and machinery	-	10 years
Furniture and equipment	-	3 to 10 years

#### ***Goodwill***

Goodwill, relating to a business acquired by the company, is written off immediately to reserves. Where the fair value of the assets acquired is greater than the cost of the acquisition the difference is credited to the capital reserve. A transfer from the capital reserve to the profit and loss account is made as the amounts are realised by depreciation or disposal of the assets acquired.

#### ***Leases***

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

# Royal Collection Enterprises Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### *Leases (continued)*

Where the company enters into a sale and leaseback agreement of existing assets any profit or loss is spread over the life of the relevant assets.

#### *Pensions and other post-retirement benefits*

The company participates in pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the company. Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. In determining the cost of goods purchased for resale, the weighted average purchase price is used.

#### *Deferred taxation*

Deferred tax is the tax attributable to timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is considered probable that an actual liability will crystallise in the foreseeable future.

### 2 Turnover and gross profit

Turnover and gross profit from each of the company's main activities may be analysed as follows:

	<b>Admissions</b>	<b>Shops</b>	<b>Other</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Turnover	12,307	5,619	332	18,258
Direct costs, including cost of sales	(5,912)	(3,984)	(228)	(10,124)
	<hr/>	<hr/>	<hr/>	<hr/>
Gross profit	6,395	1,635	104	8,134
	<hr/>	<hr/>	<hr/>	<hr/>

Admission numbers at each location were as follows:

	<b>1999</b>	<b>1998</b>
Windsor Castle	1,427,145	1,237,662
Buckingham Palace State Rooms	328,686	313,590
The Queen's Gallery, Buckingham Palace	58,568	76,256
The Royal Mews, Buckingham Palace	85,670	71,872
The Palace of Holyroodhouse	291,404	269,811
Windsor Castle Education Centre	12,260	15,561
Frogmore House	8,849	12,540
	<hr/>	<hr/>
	2,212,582	1,997,292
	<hr/>	<hr/>

# Royal Collection Enterprises Limited

## Notes (continued)

### 3. Related Party Transactions

Material transactions during the year with other entities controlled by officials, Trustees or other appointees on behalf of The Queen are set out below. The figures in brackets represent the amounts due to related parties at the balance sheet date.

Related Party	1999 £'000	1998 £'000	Type of Transaction	Details of Transaction
Property Services Grant-in-aid	850 (nil)	-	Contribution to maintenance and general upkeep	Contribution to the maintenance and general upkeep of Windsor Castle, included in cost of sales.
Property Services Grant-in-aid	189 (50)	190 (32)	Maintenance services	Costs of property refurbishment, maintenance services and utilities, included in cost of sales.
Property Services Grant-in-aid	8 (3)	13 (3)	Accommodation costs	Accommodation charges in respect of Royal Collection employees included in payroll costs.
Property Services Grant-in-aid	6 (6)	3 (3)	Reimbursement of staff costs	Reimbursement of costs of internal auditors, included in administrative expenses.
Civil List	208 (2)	201 (2)	Management charge	Various services including personnel, payroll and pensions administration and other staff related expenses included in payroll costs.
Privy Purse Charitable Trust	281 (80)	263 (66)	Cost of sales	Payment by Royal Collection Enterprises Limited ('RCEL') to the Privy Purse Charitable Trust in respect of the right to charge for admission to Queen Mary's Dolls' House, Windsor Castle included in cost of sales.
St George's Chapel	897 (71)	843 (46)	Cost of sales	Payment by RCEL in respect of the right to charge for admission to St. George's Chapel, Windsor Castle included in cost of sales.
Historic Royal Palaces	7 (nil)	-	Charges for Photographic Reproduction	Charges made to Historic Royal Palaces for the right to reproduce images in the Royal Collection, included in turnover.

None of the directors or other related parties except as referred to above or as otherwise disclosed in the financial statements has undertaken any material transactions with Royal Collection Enterprises Limited during the year.

# Royal Collection Enterprises Limited

## Notes (continued)

### 4 Profit on ordinary activities before taxation

	1999 £000	1998 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit	17	16
Other services	4	3
Depreciation and other amounts written off tangible fixed assets:		
Owned	273	274
Leased	58	76
Finance charges in respect of finance leases	7	14
	<u>      </u>	<u>      </u>

Profit on ordinary activities includes £4,447,000 (1998: £4,312,000) arising from the Summer Opening of the Buckingham Palace State Rooms and from charges for entry to the Precincts of Windsor Castle. The Royal Collection Trust has donated £235,000 (1998: £4,070,000) towards the cost of restoring Windsor Castle. The balance has been retained by the Royal Collection Trust within its Unrestricted Fund to eliminate the deficit on reserves caused by advance payments made in previous years towards the cost of restoration and to fund capital commitments.

# Royal Collection Enterprises Limited

## Notes (continued)

### 5 Remuneration of directors

	1999 £000	1998 £000
Directors' emoluments including pension contributions	241	243
	==	==

The emoluments, excluding pension contributions, of each director who held the office of Chairman during the year were £218 (including £218 (1998: £327) in respect of the cost of directors' liability insurance) and those of the highest paid director were £68,500.

Contributions to provide defined pension benefits were made for five directors (1998: four). The accrued benefits due to the highest paid director at 31 March 1999 amounted to an annual pension of £19,900 and a lump sum of £39,300.

The emoluments, excluding pension contributions, of the directors (including the Chairman and highest paid director) were within the following ranges:

	Number of directors	
	1999	1998
£0 - £ 5,000	5	5
£15,001 - £20,000	1	0
£20,001 - £25,000	0	0
£25,001 - £30,000	1	0
£30,001 - £35,000	0	1
£35,001 - £40,000	1	0
£40,001 - £45,000	0	0
£45,001 - £50,000	0	2
£50,001 - £55,000	1	0
£55,001 - £60,000	0	0
£60,001 - £65,000	0	0
£65,001 - £70,000	1	1

### 6 Staff numbers and costs

The average number of persons employed by the company or on permanent secondment from the Royal Household (including directors) analysed by category, was as follows:

	Number of employees	
	1999	1998
Buckingham Palace	51	51
Windsor Castle	73	67
Palace of Holyroodhouse	21	20
Central retail and warehousing	7	9
Central marketing	2	1
Photographic Services	8	7
Administration (including directors)	12	12
	==	==
	174	167
	==	==



# Royal Collection Enterprises Limited

## Notes *(continued)*

### 6 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	1999 £000	1998 £000
Wages and salaries	3,133	2,877
Social security costs	199	174
Other pension costs (see note 19)	239	225
	<u>3,571</u>	<u>3,276</u>

### 7 Interest receivable and other similar income

	1999 £000	1998 £000
Bank interest	175	154
	<u>175</u>	<u>154</u>

### 8 Interest payable and other similar charges

	1999 £000	1998 £000
Finance charges in respect of finance leases	7	14
Interest payable on loans	-	2
	<u>7</u>	<u>16</u>

# Royal Collection Enterprises Limited

## Notes (continued)

### 9 Tangible fixed assets

	Property improvements and shop fittings	Plant and machinery	Fixtures fittings and equipment	Assets in the course of construction	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 April 1998	1,488	123	1,657	-	3,268
Additions	-	-	276	40	316
Disposals	-	(2)	(70)	-	(72)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 1999</b>	<b>1,488</b>	<b>121</b>	<b>1,863</b>	<b>40</b>	<b>3,512</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 April 1998	630	112	1,110	-	1,852
Charge for year	111	5	215	-	331
Disposals	-	(2)	(70)	-	(72)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 1999</b>	<b>741</b>	<b>115</b>	<b>1,255</b>	<b>-</b>	<b>2,111</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
<b>At 31 March 1999</b>	<b>747</b>	<b>6</b>	<b>608</b>	<b>40</b>	<b>1,401</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 1998</b>	<b>858</b>	<b>11</b>	<b>547</b>	<b>-</b>	<b>1,416</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included in tangible fixed assets at 31 March 1999 are the following amounts in respect of assets held under finance leases:

	1999 Net book value £000	1998 Net book value £000
Fixtures and fittings	97	143

# Royal Collection Enterprises Limited

## Notes (continued)

### 10 Debtors: due within one year

	1999 £000	1998 £000
Trade debtors	185	190
Other debtors	383	83
Prepayments and accrued income	337	323
Income tax recoverable on overpayment of deed of covenant	-	35
	<u>905</u>	<u>631</u>

### 11 Creditors: amounts falling due within one year

	1999 £000	1998 £000
Obligations under finance leases (note 12)	5	137
Trade creditors	284	313
Other creditors including taxation and social security		
Income tax on deed of covenant	1,404	-
Other creditors	190	201
Accruals and deferred income	433	381
Amount due to parent undertaking	1,332	2,882
	<u>3,648</u>	<u>3,914</u>

### 12 Creditors: amounts falling due after more than one year

	1999 £000	1998 £000
Obligations under finance leases	10	-
Accruals and deferred income	-	2
	<u>10</u>	<u>2</u>

# Royal Collection Enterprises Limited

## Notes (continued)

### 12 Creditors: amounts falling due after more than one year (continued)

The maturity of obligations under finance leases is as follows:

	1999 £000	1998 £000
Within one year	5	140
In the second to fifth years	10	-
	<hr/>	<hr/>
	15	140
Less future finance charges	(-)	(3)
	<hr/>	<hr/>
	15	137
	<hr/>	<hr/>

### 13 Provisions for liabilities and charges

The amounts provided for deferred taxation and the amounts not provided are set out below:

	1999		1998	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Difference between accumulated depreciation and capital allowances	-	14	-	9
Other timing differences	-	2	-	8
	<hr/>	<hr/>	<hr/>	<hr/>
	-	16	-	17
	<hr/>	<hr/>	<hr/>	<hr/>

### 14 Called up share capital

	1999 £	1998 £
<b>Authorised</b>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

# Royal Collection Enterprises Limited

## Notes (continued)

### 15 Reserves

	Capital reserve £000	Profit and loss account £000
At beginning of year	447	831
Transfer to profit and loss account	(80)	80
Retained loss for the year	-	(68)
	<hr/>	<hr/>
At end of year	367	843
	<hr/>	<hr/>

The transfer from capital reserve to profit and loss account represents that element of the assets acquired from the Royal Collection on 31 March 1993 for no consideration realised during the year.

### 16 Movement on shareholders' funds

	1999 £000	1998 £000
Retained loss for the year	(68)	(99)
Opening shareholders' funds	1,278	1,377
	<hr/>	<hr/>
Closing shareholders' funds	1,210	1,278
	<hr/>	<hr/>

### 17 Commitments

Capital commitments at 31 March 1999 for which no provision has been made were as follows:

	1999 £000	1998 £000
Contracted	168	38
Authorised but not contracted	2,209	352
	<hr/>	<hr/>

### 18 Guarantee

On 12 February 1996 the company provided a guarantee to Coutts & Co. in consideration for the granting of an overdraft facility in favour of its parent company, The Royal Collection Trust. At 31 March 1999, the group's net overdraft balance amounted to £nil (1998: £1,338,000).

# Royal Collection Enterprises Limited

## Notes *(continued)*

### 19 **Pension scheme**

As explained in the accounting policies set out on page 10 the company participates in pension schemes providing benefits based on final pensionable pay. Details of the most recent valuations of the schemes, together with the assumptions which have the most significant effect on the results of the valuations, are given in the financial statements of the parent company, The Royal Collection Trust.

### 20 **Ultimate parent company and parent undertaking of larger group of which the company is a member**

The company is a subsidiary undertaking of The Royal Collection Trust, a company limited by guarantee registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by its ultimate parent company, The Royal Collection Trust, registered in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from the Secretary, St James's Palace, London, SW1A 1JR.