

GLASTONBURY FESTIVAL 2011 LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

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GLASTONBURY FESTIVAL 2011 LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

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GLASTONBURY FESTIVAL 2011 LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr A J M Eavis
Mr M J Benn

Company secretary

Mrs E A Eavis

Registered office

The Old Mill
Park Road
Shepton Mallet
Somerset
BA4 5BS

Auditor

Old Mill Audit LLP
Chartered Accountants
& Statutory Auditor
The Old Mill
Park Road
Shepton Mallet
Somerset
BA4 5BS

Bankers

National Westminster Bank Plc
25 High Street
Shepton Mallet
Somerset
BA4 5AF

GLASTONBURY FESTIVAL 2011 LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2011

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2011

Principal activities and business review

The principal activity of the company during the year was organising the Glastonbury Festival of Contemporary and Performing Arts

Financial Key Performance Indicators

	2011	2010	2009	2008
	£'000	£'000	£'000	£'000
Turnover	32,241	30,633	28,398	23,586
Gross profit	22,491	21,719	20,972	16,854
Profit before taxation	1,783	2,639	2,570	18
	%	%	%	%
Gross profit percentage	70	71	74	71

Profits have been retained in the company rather than paid out as donations in order to provide sufficient working capital for future Festivals

Business Risks and Future developments

As stated above, the company's only activity is organising the Glastonbury Festival of Contemporary and Performing Arts. The main business risks are possible breaches of the licence terms leading to the licence being withdrawn and the cancellation of the festival due to forces outside the control of the company such as extremely bad weather.

Results and dividends

The profit for the year, after taxation, amounted to £1,289,450. The directors have not recommended a dividend.

Financial risk management objectives and policies

The company finances its operations through a mixture of retained profits and related party support.

In managing the financial risks faced by the company, the directors aim to retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on the surplus funds.

Directors

The directors who served the company during the year were as follows:

Mr A J M Eavis

Mr M J Benn

GLASTONBURY FESTIVAL 2011 LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Donations

During the year the company made the following contributions

	2011	2010
	£	£
Charitable purposes	<u>394,623</u>	<u>266,249</u>

GLASTONBURY FESTIVAL 2011 LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

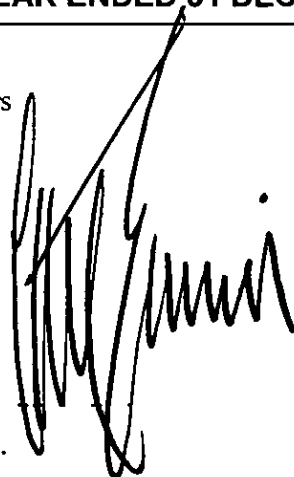
Signed on behalf of the directors

Mr A J M Eavis

Director

Approved by the directors on

21 September 2012

A large, stylized handwritten signature in black ink, likely belonging to Mr A J M Eavis, is written over the signature line and extends upwards into the header area.

GLASTONBURY FESTIVAL 2011 LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
GLASTONBURY FESTIVAL 2011 LIMITED
YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Glastonbury Festival 2011 Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GLASTONBURY FESTIVAL 2011 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GLASTONBURY FESTIVAL 2011 LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2011

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

Old Mill Audit LLP

JOLYON STONEHOUSE (Senior Statutory Auditor)

For and on behalf of

OLD MILL AUDIT LLP

Chartered Accountants & Statutory Auditor

The Old Mill
Park Road
Shepton Mallet
Somerset
BA4 5BS

21 September 2012

GLASTONBURY FESTIVAL 2011 LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Turnover	2	32,240,663	30,632,990
Cost of sales		(9,749,321)	(8,913,644)
Gross profit		<u>22,491,342</u>	<u>21,719,346</u>
Administrative expenses		(20,872,585)	(19,260,624)
Operating profit	3	<u>1,618,757</u>	<u>2,458,722</u>
Interest receivable		168,977	180,353
Interest payable and similar charges	6	(4,957)	—
Profit on ordinary activities before taxation		<u>1,782,777</u>	<u>2,639,075</u>
Tax on profit on ordinary activities	7	(493,327)	(749,021)
Profit for the financial year		<u><u>1,289,450</u></u>	<u><u>1,890,054</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

The notes on pages 10 to 16 form part of these financial statements.

GLASTONBURY FESTIVAL 2011 LIMITED

BALANCE SHEET

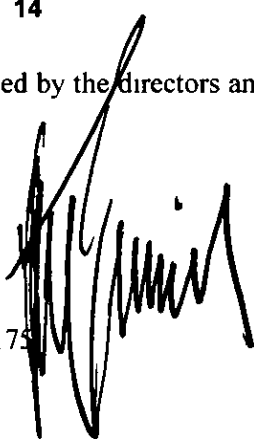
31 DECEMBER 2011

	Note	2011 £	2010 £
Current assets			
Debtors	8	617,492	6,860,029
Cash at bank and in hand		8,074,404	4,675,913
		<u>8,691,896</u>	<u>11,535,942</u>
Creditors: Amounts falling due within one year	9	<u>3,594,820</u>	<u>7,778,316</u>
Net current assets		5,097,076	3,757,626
Total assets less current liabilities		<u>5,097,076</u>	<u>3,757,626</u>
Provisions for liabilities			
Other provisions	10	50,000	—
		<u>5,047,076</u>	<u>3,757,626</u>
Capital and reserves			
Called-up equity share capital	12	1	1
Profit and loss account	13	5,047,075	3,757,625
Shareholders' funds	14	<u>5,047,076</u>	<u>3,757,626</u>

These financial statements were approved by the directors and authorised for issue on 21 September 2012 and are signed on their behalf by

Mr A J M Eavis
Director

Company Registration Number 04348175



The notes on pages 10 to 16 form part of these financial statements

GLASTONBURY FESTIVAL 2011 LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Net cash inflow/(outflow) from operating activities	15	3,904,492	(614,014)
Returns on investments and Servicing of finance			
Interest received		168,977	180,353
Interest paid		(4,957)	—
Net cash inflow from returns on investments and servicing of finance		164,020	180,353
Taxation		(670,021)	(990,123)
Cash inflow/(outflow) before financing		3,398,491	(1,423,784)
Financing			
Repayment of loan		—	(100,000)
Net cash outflow from financing		—	(100,000)
Increase/(decrease) in cash	15	3,398,491	(1,523,784)

The notes on pages 10 to 16 form part of these financial statements

GLASTONBURY FESTIVAL 2011 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Revenue is recognised once the Festival has taken place

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	<u>32,240,663</u>	<u>30,632,990</u>

GLASTONBURY FESTIVAL 2011 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

3. Operating profit

Operating profit is stated after charging

	2011 £	2010 £
Auditor's remuneration - as auditor	<u>9,000</u>	<u>8,500</u>

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2011 No	2010 No
Management	3	3
Festival site staff	<u>96</u>	<u>86</u>
	<u>99</u>	<u>89</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	1,011,071	1,004,528
Social security costs	84,815	82,503
Pension costs	<u>75,000</u>	<u>75,000</u>
	<u>1,170,886</u>	<u>1,162,031</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2011 £	2010 £
Aggregate remuneration	60,000	60,000
Value of company pension contributions to money purchase schemes	<u>-</u>	<u>37,500</u>
	<u>60,000</u>	<u>97,500</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2011 No	2010 No
Money purchase schemes	<u>1</u>	<u>1</u>

GLASTONBURY FESTIVAL 2011 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

6. Interest payable and similar charges

	2011 £	2010 £
Other similar charges payable	<u>4,957</u>	<u>—</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
UK Corporation tax based on the results for the year	493,327	749,021
Total current tax	<u>493,327</u>	<u>749,021</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26.49% (2010 - 28%)

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>1,782,777</u>	<u>2,639,075</u>
Profit on ordinary activities by rate of tax	472,314	738,941
Expenses not deductible for tax purposes	21,013	10,080
Total current tax (note 7(a))	<u>493,327</u>	<u>749,021</u>

8. Debtors

	2011 £	2010 £
Trade debtors	102,847	130,176
VAT recoverable	348,281	—
Other debtors	166,364	6,643,730
Prepayments and accrued income	—	86,123
	<u>617,492</u>	<u>6,860,029</u>

GLASTONBURY FESTIVAL 2011 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

9. Creditors: Amounts falling due within one year

	2011	2010
	£	£
Loans	50,000	50,000
Trade creditors	1,649,089	623,691
Corporation tax	313,084	489,778
PAYE and social security	14,440	33,184
VAT	—	233,512
Other creditors	1,217,090	291,107
Director's current accounts	230,973	194,818
Accruals and deferred income	120,144	5,862,226
	<u>3,594,820</u>	<u>7,778,316</u>

During the year ended 31 December 2010 the company sold tickets in advance for the festival held in June 2011. As at 31 December 2010 £5,744,681 was shown in deferred income in respect of advance ticket sales, part of which had been received and was shown in cash at bank and part of which was held in an escrow account and shown in other debtors (note 8). There were no such advance tickets sales in the year ended 31 December 2011.

10. Other provisions

	2011
	£
Provisions for legal fees:	
Movement for year	<u>50,000</u>

GLASTONBURY FESTIVAL 2011 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

11. Related party transactions

The company was under the control of Mr AJM Eavis throughout the year Mr Eavis is a director of the company and the sole shareholder

Mr AJM Eavis owns an unincorporated farming business The company was charged £500,000 (2010 £500,000) by this business during the year as compensation for loss of earnings as a result of the farm land being used for the Festival The farm was charged £127,559 (2010 £77,769) during the year for use of the company's staff The amount due to Mr Eavis at the balance sheet date was £572,441 (2010 £122,231)

At the balance sheet date there was an amount of £230,973 (2010 £194,818) owing to the director, Mr AJM Eavis, by way of the director's loan account During the year a further £36,155 was advanced to the company There are no repayment terms and no interest is payable

The company rents land from the pension fund of Mr AJM Eavis and Mrs E Eavis who are the sole beneficiaries of the pension fund During the year rents were paid to the pension fund of £9,700 (2010 £8,800) The amount due at the balance sheet date was £nil (2010 £nil)

Mr AJM Eavis, together with his family, being the beneficiaries of Mr Eavis' late wife's estate are the controlling shareholders of Manorborder Limited The company was charged £150,000 (2010 £150,000) during the year for the use of its land The amount due to Manorborder Limited at the balance sheet date was £150,000 (2010 £nil) In addition, during previous years the company received a loan from Manorborder Limited The balance outstanding at the year end and included in other creditors was £50,000 (2010 £50,000) The loan is repayable within one year No interest is payable on the loan

Mr AJM Eavis, together with his family, being the beneficiaries of Mr Eavis' late wife's estate, are controlling shareholders of Glastonbury Festivals Limited The company was charged £95,000 (2010 £95,000) during the year for rent of the Pyramid stage, plant, equipment and offices The company was charged £179,494 (2010 £186,635) during the year for use of Glastonbury Festivals Limited staff and charged Glastonbury Festivals Limited £12,644 (2010 £8,893) for use of the company's staff The company was charged £585,500 during the year under a profit sharing arrangement (2010 £585,500) During the year the company paid £830,478 (2010 £550,422) to Glastonbury Festivals Limited as a contribution towards site work and £117,427 for miscellaneous recharges At the balance sheet date the amount due to Glastonbury Festivals Limited was £1,204,446 (2010 £111,302) There are no repayment terms and no interest is payable

AJM Eavis is a trustee of Pilton Barn Trust, a registered charity During the year the company donated £240 (2010 £880) to Pilton Barn Trust

Mr M Benn is a director of the company Mr M Benn is also a director of Festival Republic Limited

The company was charged £129,259 (2010 £145,379) during the year for use of Festival Republic Limited staff and hire of equipment The company was charged £450,000 during the year under a profit sharing arrangement (2010 £450,000)

At the balance sheet date the amount due to Festival Republic Limited was £nil (2010 £170,821) There are no repayment terms and no interest is payable

GLASTONBURY FESTIVAL 2011 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

12. Share capital

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

13. Profit and loss account

	2011 £	2010 £
Balance brought forward	3,757,625	1,867,571
Profit for the financial year	<u>1,289,450</u>	<u>1,890,054</u>
Balance carried forward	<u>5,047,075</u>	<u>3,757,625</u>

14. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	1,289,450	1,890,054
Opening shareholders' funds	<u>3,757,626</u>	<u>1,867,572</u>
Closing shareholders' funds	<u>5,047,076</u>	<u>3,757,626</u>

15. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow/(outflow)
from operating activities

	2011 £	2010 £
Operating profit	1,618,757	2,458,722
Decrease in debtors	6,242,537	371,717
Decrease in creditors	(4,006,802)	(3,444,453)
Increase in provisions	<u>50,000</u>	<u>—</u>
Net cash inflow/(outflow) from operating activities	<u>3,904,492</u>	<u>(614,014)</u>

GLASTONBURY FESTIVAL 2011 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

15. Notes to the cash flow statement *(continued)*

Reconciliation of net cash flow to movement in net funds

	2011		2010	
	£	£	£	£
Increase/(decrease) in cash in the period	3,398,491		(1,523,784)	
Net cash outflow from loan	—		100,000	
		3,398,491		(1,423,784)
Change in net funds		3,398,491		(1,423,784)
Net funds at 1 January 2011		4,625,913		6,049,697
Net funds at 31 December 2011		<u>8,024,404</u>		<u>4,625,913</u>

Analysis of changes in net funds

	At 1 Jan 2011	Cash flows	At 31 Dec 2011
	£	£	£
Net cash			
Cash in hand and at bank	<u>4,675,913</u>	<u>3,398,491</u>	<u>8,074,404</u>
Debt			
Debt due within 1 year	<u>(50,000)</u>	<u>—</u>	<u>(50,000)</u>
Net funds	<u>4,625,913</u>	<u>3,398,491</u>	<u>8,024,404</u>