

**EDINBURGH INTERNATIONAL  
FESTIVAL LIMITED**

*Registered Number 138633*

**Directors' Report and Financial Statements**

**For the year ended 30 November 1998**



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COMPANIES HOUSE 02/04/99

# **EDINBURGH INTERNATIONAL FESTIVAL LIMITED**

## **Directors' Report and Financial Statements**

**For the year ended 30 November 1998**

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### **Directors**

Mr Tom Buncle  
Councillor Stephen Cardownie  
Mr Douglas Connell  
Mr James Cursiter  
Mr Nicholas Dodds  
Councillor Brian Fallon  
Councillor Keith Geddes CBE  
Sir Alistair Grant  
Mr Jens Høgel R  
Councillor Moira Knox MBE  
Professor Donald Leach CBE  
Councillor Elizabeth Maginnis  
Mr Brian McMaster  
Rt Hon Eric Milligan, Lord Provost  
Sir Alick Rankin CBE  
Sir John Shaw CBE  
Baroness Smith of Gilmorehill  
Mr James Stretton  
Councillor Elizabeth Wardlaw  
Mr Donald MacDonald

### **Secretary**

Nicholas Dodds

### **Auditors**

PricewaterhouseCoopers, Chartered Accountants

### **Bankers**

Royal Bank of Scotland plc

### **Solicitors**

Maclay Murray & Spens

### **Registered office**

21 Market Street, Edinburgh, EH1 1BW

# EDINBURGH INTERNATIONAL FESTIVAL LIMITED

## Directors' Report

For the year ended 30 November 1998

The directors submit their annual report and the audited financial statements for the year ended 30 November 1998.

### Results and dividends

The profit for the year of £9,453 will be paid over as a deed of covenant to the Edinburgh Festival Society.

### Principal activities and review of the business

The company operated retail outlets and undertook wholesale activities in connection with goods related to the Edinburgh Festival and acted as a ticket agent for various events including Edinburgh's Hogmanay.

### Directors

The directors of the company during the year to 30 November 1998 were:

Mr Nicholas Dodds	Mr Brian McMaster
Mr Tom Buncle	Councillor Moira Knox
Councillor Stephen Cardownie	Professor Donald Leach (resigned 31 December 1998)
Mr Douglas Connell	Councillor Elizabeth Maginnis
Mr James Cursiter	Rt Hon Eric Milligan, Lord Provost
Councillor Brian Fallon	Sir Alick Rankin
Councillor Keith Geddes	Sir John Shaw
Mr Jens Høgel	Baroness Smith of Gilmorehill
Sir Alistair Grant	Mr James Stretton
Mr James Holloway (retired 25 March 1998)	Councillor Elizabeth Wardlaw
Mr Donald MacDonald (appointed 23 November 1998)	

No director had an interest in the company's share capital at the year end.

All the directors retire by rotation and, being eligible, offer themselves for re-election.

No director had any interest in any contract of significance in relation to the company's business during or at the end of the period.

### Millenium Compliance

Some of our computer systems express dates using only the last two digits of the year. These systems require modification or replacement to accommodate the Year 2000 and beyond to avoid malfunctions and commercial disruption.

In response to the issue, we have carried out a thorough review of our computer systems and have identified those systems which require to be upgraded or replaced. We are also aware of the need for both our suppliers and customers to be millenium compliant and to that end have had regular communications on the subject.

All critical work is due to be completed by June 1999.

# EDINBURGH INTERNATIONAL FESTIVAL LIMITED

## Directors' Report - continued

For the year ended 30 November 1998

### 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 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;

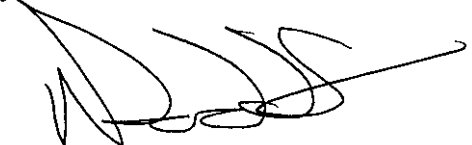
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Elective Resolutions

Elective resolutions were passed by written resolution of the sole member of the company on 9 February 1998 to dispense with the requirement to: (1) lay accounts and reports before the company in general meeting; (2) hold annual general meetings for the financial year ended 30 November 1998 and subsequent years; and (3) appoint auditors annually. Accordingly, our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998 following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers as auditors. The Festival Council recommends the re-appointment of PricewaterhouseCoopers as auditors.

By order of the board



Nicholas J Dodds  
Secretary

16 February      1999

# EDINBURGH INTERNATIONAL FESTIVAL LIMITED

## Auditors' Report to the Members

For the year ended 30 November 1998

We have audited the financial statements on pages 4 to 7, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

As described on page 2 the directors of the company are responsible for the preparation of 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 at 30 November 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors

EDINBURGH 17 February 1999

# EDINBURGH INTERNATIONAL FESTIVAL LIMITED

## Profit and Loss Account

For the year ended 30 November 1998

	Notes	1998 £	1997 £
<b>Turnover</b>			
Sales	2	50,589	124,127
Project fees		73,433	-
Concessions and Royalties		4,342	5,892
		<hr/>	<hr/>
		128,364	130,019
Cost of sales and projects		(95,478)	(84,728)
		<hr/>	<hr/>
<b>Gross profit</b>		32,886	45,291
 <b>Other expenditure</b>			
Administrative expenses	3	(24,490)	(30,232)
		<hr/>	<hr/>
<b>Operating profit</b>		8,396	15,059
Interest receivable		1,057	320
		<hr/>	<hr/>
<b>Profit on ordinary activities</b>		9,453	15,379
Charitable donation to Edinburgh Festival Society		(9,453)	(15,379)
		<hr/>	<hr/>
<b>Retained profit for the year</b>		-	-
		<hr/>	<hr/>

All the results of the company relate to continuing operations.

The company has no recognised gains and losses other than those included in the profit above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 6 and 7 form part of these financial statements

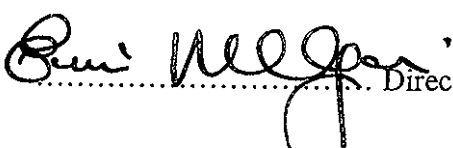
# EDINBURGH INTERNATIONAL FESTIVAL LIMITED

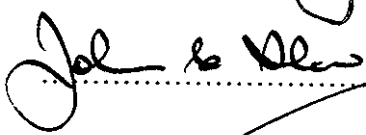
## Balance Sheet

As at 30 November 1998

	Notes	1998 £	1997 £
<b>Current assets</b>			
Stock	5	15,780	11,604
Debtors	6	49,186	112,359
Bank and cash in hand		171,334	-
		<hr/>	<hr/>
<b>Creditors:</b> Amounts falling due within one year	7	236,300 (236,298)	123,963 (123,961)
		<hr/>	<hr/>
<b>Net assets</b>		2	2
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
		<hr/>	<hr/>
<b>Equity shareholder's funds</b>		2	2
		<hr/>	<hr/>

Approved by the Board of Directors on 16 February 1999 and signed on its behalf by:

  
..... Director

  
..... Director

The notes on pages 6 and 7 form part of these financial statements

# EDINBURGH INTERNATIONAL FESTIVAL LIMITED

## Notes to the Financial Statements

For the year ended 30 November 1998

### 1. Accounting policies

#### *Basis of accounting*

The financial statements have been prepared on an historical cost basis in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies which have been applied consistently is set out below.

#### *Cash Flow Statement*

The company qualifies as a small company under the terms of FRS 1 (revised) and section 247 of the Companies Act 1985 and is therefore exempt from the requirement to publish a cash flow statement.

#### *Stock*

Stock is stated at the lower of cost and net realisable value.

### 2. Sales

Sales represent the amount of goods sold during the year and are stated net of value added tax.

### 3. Administrative expenses

Administrative expenses include audit fees of £914 (1997 - £800) excluding VAT.

### 4. Staff numbers and costs

The average weekly number of full-time equivalent employees during the period was:

#### *Selling*

The aggregate remuneration and associated costs of the employees were:

Wages and salaries  
Social security costs

	1998	1997
	Number	Number
	6	3
	<hr/>	<hr/>
	1998	1997
	£	£
Wages and salaries	36,007	18,312
Social security costs	1,931	1,343
	<hr/>	<hr/>
	37,938	19,655
	<hr/>	<hr/>

No remuneration was paid to any Director.



# EDINBURGH INTERNATIONAL FESTIVAL LIMITED

## Notes to the Financial Statements - continued

For the year ended 30 November 1998

<b>5. Stock</b>	<b>1998</b>	<b>1997</b>
	£	£
Goods for retail sale	15,780	11,604
	<u>          </u>	<u>          </u>
<b>6. Debtors</b>	<b>1998</b>	<b>1997</b>
	£	£
Trade debtors	5,690	358
Prepayments	287	817
Amounts owed by parent company	-	61,248
Share capital	-	2
Trade debtors - Hogmanay 98/99 event	43,209	49,934
	<u>          </u>	<u>          </u>
	49,186	112,359
	<u>          </u>	<u>          </u>
<b>7. Creditors</b>	<b>1998</b>	<b>1997</b>
	£	£
Bank overdraft	-	9,829
Trade creditors	1,156	30
Covenant due to Edinburgh Festival Society	7,279	-
Corporation tax on covenant	2,174	3,537
Amounts owed to parent company	10,083	-
Accruals	860	800
Deferred income	214,746	109,765
	<u>          </u>	<u>          </u>
	236,298	123,961
	<u>          </u>	<u>          </u>
Included in deferred income are agency sales amounting to £101,909 and £86,000 which have been received in respect of Edinburgh's Hogmanay 98/99 event and First Foot Club respectively.		
<b>8. Share capital</b>	<b>1998</b>	<b>1997</b>
	£	£
<b>Authorised</b>		
100 ordinary shares at £1 each	100	100
<b>Allotted, called up and fully paid</b>	<u>          </u>	<u>          </u>
2 ordinary shares at £1 each	2	2
	<u>          </u>	<u>          </u>
<b>9. Related parties</b>		

The company is a wholly owned subsidiary of the Edinburgh Festival Society, incorporated in Scotland and considers Edinburgh Festival Society to be its ultimate controlling party.

The company's results are consolidated within the financial statements of Edinburgh Festival Society, copies of which can be obtained from the Company Secretary, 21 Market Street, Edinburgh. Hence, under FRS8 it is exempt from disclosure of transactions with that company.