

**EDINBURGH INTERNATIONAL
FESTIVAL LIMITED**
Registered Number 138633

Directors' Report and Financial Statements

For the year ended 30 November 2002



EDINBURGH INTERNATIONAL FESTIVAL LIMITED

Directors' Report and Financial Statements

For the year ended 30 November 2002

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Directors

Sir Brian McMaster CBE
James Stretton

Secretary

Adrian Trickey

Auditors

PricewaterhouseCoopers LLP

Bankers

Royal Bank of Scotland plc

Solicitors

Maclay Murray & Spens

Registered office

The Hub, Castlehill, Edinburgh, EH1 2NE

EDINBURGH INTERNATIONAL FESTIVAL LIMITED

Directors' Report

For the year ended 30 November 2002

The Directors submit their annual report and the audited financial statements for the year ended 30 November 2002.

Results and dividends

The results for the year are a profit of £1,155 (2001 - £71). The Directors do not propose a dividend (2001: £nil).

Principal activities and review of the business

The company previously operated retail outlets and undertook wholesale activities in connection with goods related to the Edinburgh International Festival and acted as a ticket agent for various events including Edinburgh's Hogmanay. These activities were taken over by Edinburgh Festival Centre Limited from 5 July 1999.

Directors

The Directors of the company during the year to 30 November 2002 were:

Cllr Donald Anderson (resigned 28th January 2002)
Sir Peter Burt (resigned 11th March 2002)
Cllr Lezley Cameron (resigned 11th March 2002)
Cllr Brian Fallon (resigned 11th March 2002)
Mrs Carol Colburn Hogel (resigned 11th March 2002)
Mr Des Loughney (resigned 11th March 2002)
Mr Donald MacDonald CBE (resigned 11th March 2002)
Dr James MacMillan (resigned 11th March 2002)
Cllr Elizabeth Maginnis (resigned 11th March 2002)
Mr Bill Main (resigned 11th March 2002)
Sir Brian McMaster CBE

The Rt Hon. Eric Milligan, Lord Provost of the City of
Edinburgh (resigned 11th March 2002)
Cllr Alastair Paisley (resigned 11th March 2002)
Mr Ralph Parkinson (resigned 11th March 2002)
Mr Philip Riddle (resigned 11th March 2002)
Mr Ian Russell (resigned 11th March 2002)
Mr James Stretton
Prof Joan Stringer CBE (resigned 11th March 2002)
Cllr Elizabeth Wardlaw (resigned 11th March 2002)

No Director had an interest in the company's share capital during the period.

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.

EDINBURGH INTERNATIONAL FESTIVAL LIMITED

Directors' Report - continued

For the year ended 30 November 2002

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 for that period. The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 November 2002 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records which 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 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.

The Directors believe they have met these commitments.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 28 February 2003 and the Directors appointed its successor, PricewaterhouseCoopers LLP as auditors.

Elective Resolutions

Elective resolutions were passed by written resolution of the sole member of the company on 9 February 2000 to dispense with the requirement to: (1) lay accounts and reports before the company in general meeting; and (2) hold annual general meetings.

By order of the board



Adrian Trickey
Secretary

12 May 2003

EDINBURGH INTERNATIONAL FESTIVAL LIMITED

Auditors' Report to the Members

For the year ended 30 November 2002

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

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 at 30 November 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors

EDINBURGH 15 May 2003

EDINBURGH INTERNATIONAL FESTIVAL LIMITED

Profit and Loss Account

For the year ended 30 November 2002

	Notes	2002 £	2001 £
Turnover			
Concessions and Royalties	2	1,155	-
		<hr/>	<hr/>
Operating profit		1,155	-
Interest receivable		-	71
		<hr/>	<hr/>
Profit on ordinary activities	6	1,155	71
Charitable donation to Edinburgh Festival Society		(1,155)	(71)
		<hr/>	<hr/>
Retained profit for the year		-	-
		<hr/>	<hr/>

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

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

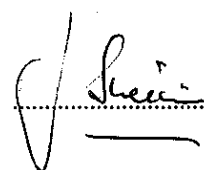
EDINBURGH INTERNATIONAL FESTIVAL LIMITED

Balance Sheet

As at 30 November 2002

	Notes	2002 £	2001 £
Current assets			
Bank and cash in hand		1379	280
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	4	1379 (1377)	280 (278)
		<hr/>	<hr/>
Net assets		2	2
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	5	2	2
		<hr/>	<hr/>
Equity shareholder's funds		2	2
		<hr/>	<hr/>

The financial statements on pages 4 to 7 were approved by the board of Directors on 12th May 2003 and were signed on its behalf by:

 Director

..... Director

EDINBURGH INTERNATIONAL FESTIVAL LIMITED

Notes to the Financial Statements

For the year ended 30 November 2002

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.

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.

2. Income

Income represents amounts receivable from a Mastercard Royalty programme.

3. Staff numbers and costs

There were no staff costs (2001: nil) and no remuneration was paid to any Director (2001: nil). The auditors remuneration was paid by the parent charity (note 6) on behalf of Edinburgh International Festival Limited.

EDINBURGH INTERNATIONAL FESTIVAL LIMITED

Notes to the Financial Statements - continued

For the year ended 30 November 2002

4. Creditors: amounts falling due within one year	2002	2001
	£	£
Amounts owed to parent company	1,377	278
	<hr/>	<hr/>
5. Share capital	2002	2001
	£	£
Authorised		
100 ordinary shares at £1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

6. Taxation

There was no current or deferred taxation charge for the period due to all profits being covenanted up to Edinburgh Festival Society.

	30 November 2002	30 November 2001
	£	£
Profit on ordinary activities before tax	1,155	71
Profit on ordinary activities multiplied by the small companies' rate of corporation tax in the UK 19% (2001: 20%)	219	14
Effects of:		
Profits covenanted up to Edinburgh Festival Society	(219)	(14)
Tax charge for the period	-	-

7. Related parties

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, The Hub, Castlehill, Edinburgh, EH1 2NE. Hence, under FRS 8, it is exempt from disclosure of transactions with that company.