

GLASTONBURY FESTIVALS LIMITED
REPORT AND FINANCIAL STATEMENTS
31st December 1998

Registered number: 2737866



BERKELEY JACKSON
CHARTERED ACCOUNTANTS

GLASTONBURY FESTIVALS LIMITED
FINANCIAL STATEMENTS
for the year ended 31st December 1998

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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GLASTONBURY FESTIVALS LIMITED

COMPANY INFORMATION

31st December 1998

INCORPORATED	England and Wales
NUMBER	2737866
DIRECTORS	Mr AJM Eavis Mrs J Eavis (resigned 11/05/99)
SECRETARY	Miss E R Eavis (appointed 11/05/99) Mrs J Eavis (resigned 11/05/99)
REGISTERED OFFICE	Worthy Farm Pilton SHEPTON MALLET Somerset
BANKERS	National Westminster Bank High Street SHEPTON MALLET Somerset
AUDITORS	Berkeley Jackson Chartered Accountants The Old Mill Park Road SHEPTON MALLET Somerset

GLASTONBURY FESTIVALS LIMITED

DIRECTOR'S REPORT

31st December 1998

The director presents his report and the audited financial statements for the year ended 31st December 1998.

Principal activity

The principal activity of the company is the organisation of musical and contemporary arts festivals.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £647,646.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Fixed assets

In the opinion of the director, there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 8.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31st December 1998 Ordinary shares	1st January 1998 Ordinary shares
Mr AJM Eavis	50	50
Mrs J Eavis (resigned 11/05/99)	50	50

Mrs J Eavis died on 16 May 1999.

continued

GLASTONBURY FESTIVALS LIMITED

DIRECTORS' REPORT
(continued)

31st December 1998

Year 2000

The director has reviewed the potential risks to the company arising from the year 2000 issue. The results of this review has confirmed that there are no significant risks that need to be addressed.

Charitable and political donations

Payments of a charitable nature made during the year amounted to £33,200.

Auditors

Berkeley Jackson have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

Mr A. J. Davis
Director

28/10/99

Worthy Farm
Pilton
SHEPTON MALLET
Somerset

GLASTONBURY FESTIVALS 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;
- 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.

GLASTONBURY FESTIVALS LIMITED**Auditors' report to the members of****GLASTONBURY FESTIVALS LIMITED**

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors 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 error or other irregularity. 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 31st December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

SHEPTON MALLEY

28th October 1999



Berkeley Jackson
Registered Auditors
Chartered Accountants

GLASTONBURY FESTIVALS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1998

	Note	1998 £	1997 £
Turnover	2	7,471,273	6,547,191
Cost of sales		(2,634,791)	(2,379,131)
Gross profit		4,836,482	4,168,060
Net operating expenses			
Administrative expenses		(4,516,732)	(4,059,966)
Other operating income		520	520
Operating profit	3	320,270	108,614
Interest receivable and similar income	5	128,936	88,482
Interest payable and similar charges	6	(20,269)	(7,267)
Profit on ordinary activities before taxation		428,937	189,829
Taxation	7	(154,138)	(52,366)
Profit on ordinary activities after taxation		274,799	137,463
retained for the year	16		

Movements in reserves are shown in note 16.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 1998 or 1997 other than the profit for the year.

The notes on pages 8 to 16 form an integral part of these financial statements.

GLASTONBURY FESTIVALS LIMITED

BALANCE SHEET

at 31st December 1998

	Note	£	1998 £	£	1997 £
Fixed assets					
Tangible assets	8		335,336		246,381
Current assets					
Debtors	9	75,878		66,475	
Cash at bank and in hand		1,017,523		538,598	
			1,093,401		605,073
Creditors: amounts falling due within one year	10	(467,962)		(286,953)	
Net current assets			625,439		318,120
Total assets less current liabilities			960,775		564,501
Creditors: amounts falling due after more than one year	11		(293,498)		(180,216)
Provision for liabilities and charges	12		(19,631)		(11,438)
			647,646		372,847
Capital and reserves					
Called up share capital	15		100		100
Profit and loss account	16		647,546		372,747
Total shareholders' funds	14		647,646		372,847

The financial statements on pages 5 to 16 were approved by the board of directors on 28/10/99 and signed on its behalf by:

Mr A.J. Davis
Director

The notes on pages 8 to 16 form an integral part of these financial statements.

GLASTONBURY FESTIVALS LIMITED

CASH FLOW STATEMENT

for the year ended 31st December 1998

	Note	1998		1997	
		£	£	£	£
Net cash inflow from operating activities	19		357,827		361,519
Returns on investments and servicing of finance					
Interest received		128,936		88,482	
Interest paid		(20,269)		(5,520)	
Interest element of finance lease rental payments		-		(1,747)	
			108,667		81,215
Taxation					
Corporation tax received			33,321		-
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(176,358)		(45,400)	
Sale of tangible fixed assets		22,800		-	
			(153,558)		(45,400)
			346,257		397,334
Financing					
Debt due within a year:					
Other loan repayments		-		(23,402)	
Debt due beyond a year:					
Other loan advances		126,596		178,902	
Capital element of finance lease rentals		-		(49,350)	
			126,596		106,150
Increase in cash	20		472,853		503,484

GLASTONBURY FESTIVALS LIMITED**NOTES ON FINANCIAL STATEMENTS****31st December 1998****1 Accounting policies****Basis of accounting**

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

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	Nil
Property improvements	15% reducing balance
Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

GLASTONBURY FESTIVALS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

3 Operating profit

	1998 £	1997 £
Operating profit is stated after crediting:		
Rent receivable	520	520
and after charging:		
Staff costs	331,337	346,313
Auditors' remuneration	4,900	4,800
Operating leases:		
Hire of assets other than plant & machinery	317,770	241,466
Rent	187,087	179,718
Car park hire	173,330	163,248
Loss on sale of assets	4,559	-
Depreciation of tangible fixed assets (note 8):		
Owned assets	60,044	39,651
Leased assets	-	1,726
	60,044	41,377

GLASTONBURY FESTIVALS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

4 Directors and employees

	1998	1997
Staff costs including directors' emoluments	£	£
Wages and salaries	299,236	323,872
Social security costs	22,101	22,441
Pension costs	10,000	-
	<u>331,337</u>	<u>346,313</u>
Average monthly number employed including executive directors:	Number	Number
Office and management	8	6
Festival site staff	55	129
	<u>63</u>	<u>135</u>
Directors	£	£
Emoluments	<u>87,517</u>	<u>80,472</u>
During the year the following number of directors:	Number	Number
Accrued retirement benefits under:		
Money purchase pension schemes	<u>2</u>	<u>2</u>

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £10,000 (1997 £0).

5 Interest receivable and similar income

	1998	1997
	£	£
Interest receivable	<u>128,936</u>	<u>88,482</u>

6 Interest payable and similar charges

	1998	1997
	£	£
Bank interest	-	91
Other interest	11,946	-
Loan interest	8,323	5,429
Hire purchase interest	-	1,747
	<u>20,269</u>	<u>7,267</u>

GLASTONBURY FESTIVALS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

7 Taxation

	1998 £	1997 £
Corporation tax on profit on ordinary activities at 29% (1997 26%)	134,460	50,227
Deferred taxation	8,193	2,139
	<u>142,653</u>	<u>52,366</u>
Under provision in earlier years	11,485	-
	<u>154,138</u>	<u>52,366</u>

8 Tangible fixed assets

	Motor Vehicles £	Plant and Machinery £	Land and Buildings £	Total £
Cost				
1st January 1998	43,190	197,208	149,733	390,131
Additions	31,215	81,089	64,054	176,358
Disposals	-	(56,152)	-	(56,152)
	<u>74,405</u>	<u>222,145</u>	<u>213,787</u>	<u>510,337</u>
31st December 1998				
Depreciation				
1st January 1998	25,230	75,038	43,482	143,750
Charge for the year	12,294	26,385	21,365	60,044
Disposals	-	(28,793)	-	(28,793)
	<u>37,524</u>	<u>72,630</u>	<u>64,847</u>	<u>175,001</u>
31st December 1998				
Net book amount				
31st December 1998	<u>36,881</u>	<u>149,515</u>	<u>148,940</u>	<u>335,336</u>
1st January 1998	<u>17,960</u>	<u>122,170</u>	<u>106,251</u>	<u>246,381</u>

Land and buildings includes freehold land of £27,875 (1997 £27,875) that is not being depreciated.

9 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	5,440	15,275
Other debtors	65,378	47,166
Prepayments and accrued income	5,060	4,034
	<u>75,878</u>	<u>66,475</u>

GLASTONBURY FESTIVALS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

10 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank overdrafts	14,921	8,849
Trade creditors	70,424	147,260
Other loans	12,000	12,000
Corporation tax	145,945	-
Other taxation and social security	198,243	94,543
Other creditors	3,500	1,727
Accruals and deferred income	22,929	22,574
	<u>467,962</u>	<u>286,953</u>

The bank overdraft is unsecured.

11 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Other loans	293,498	166,902
Other creditors	-	13,314
	<u>293,498</u>	<u>180,216</u>

Maturity of debt

In one year or less, or on demand		
- see note 10	12,000	12,000
In more than one year but not more than two	293,498	166,902
	<u>293,498</u>	<u>166,902</u>

Included within loans shown above is a loan from Manorbord Limited of £257,498 (1997 £118,902) on which no interest is being charged. The remaining element of loans relates to an amount due to AJM Pension Fund of £48,000 (1997 £60,000) on which interest is being charged at 3% above the bank base rate. This loan is repayable by 21st January 2002.

12 Provision for liabilities and charges

	Deferred tax £
1st January 1998	11,438
Profit and loss account	8,193
31st December 1998	<u>19,631</u>

GLASTONBURY FESTIVALS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

13 Deferred taxation

	1998		1997	
	Amount unprovided £	Amount provided £	Amount unprovided £	Amount provided £
Corporation tax deferred by				
Capital allowances in excess of depreciation	-	19,631	-	11,438
	<u>-</u>	<u>19,631</u>	<u>-</u>	<u>11,438</u>
	-	19,631	-	11,438
	<u>-</u>	<u>19,631</u>	<u>-</u>	<u>11,438</u>

Deferred taxation is based on a corporation tax rate of 30% (1997 26%).

14 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year representing a Net addition to shareholders' funds	274,799	137,463
Opening shareholders' funds	372,847	235,384
Closing shareholders' funds	<u>647,646</u>	<u>372,847</u>

15 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Allotted, called up and fully paid				
Equity shares				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

GLASTONBURY FESTIVALS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

16 Profit and loss account

	1998 £
1st January 1998	372,747
Retained profit for the year	274,799
	<hr/>
31st December 1998	647,546
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17 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 December 1999

	1998 Plant & Other £	1997 Plant & Other £
Expiring		
Within one year	-	1,036
	<hr/>	<hr/>
	-	1,036
	<hr/>	<hr/>

GLASTONBURY FESTIVALS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

18 Directors' interests and loans

Mr AJM Eavis together with his late wife Mrs J Eavis held a controlling interest in the shares of the company throughout the year.

Mr and Mrs Eavis were also controlling shareholders of Manorborder Limited. The company has a loan from Manorborder Limited and the balance outstanding at the year end amounted to £257,498 (1997 £118,902). No interest is being charged on this loan and no fixed repayment terms have been agreed, although repayment is unlikely to be made within one year.

The company was charged £150,000 (1997 £150,000) by Manorborder Limited during the year for use of its land. The rent was charged on an arms length basis.

The company has a loan from AJM Pension Fund amounting to £48,000 (1997 £60,000) at the year end. The directors of the company are the sole beneficiaries of the fund. Interest is payable on the loan at 3% above the bank base rate and the loan is repayable by 21st January 2002. Interest accrued at the year end and included within Creditors amounted to £4,862 (1997 £5,429), representing the charge for the year.

The company made donations amounting to £11,688 (1997 £8,000) to the Pilton Barn Restoration Trust during the year. Mr AJM Eavis is a trustee of the Pilton Barn Restoration Trust although he does not hold a beneficial interest.

Mr AJM Eavis owns an unincorporated farming business. The company was charged £122,500 (1997 £55,000) by this business during the year as compensation for loss of earnings as a result of the farm land being used for the 1998 festival.

The Directors owed an amount of £51,430 to the company at the year end (1997 were owed £1,727 by the company) in respect of their loan account with the company. No interest is being charged on these loans and no repayment terms have been agreed. The maximum amount owed to the company during the year by the directors amounted to £192,713 (1997 £89,096).

19 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1998 £	1997 £
Operating profit	320,270	108,614
Depreciation charges	60,044	41,377
Loss on sale of fixed assets	4,559	-
(Increase)/decrease in debtors	(42,724)	36,768
Increase in creditors	15,678	174,760
Net cash inflow from operating activities	357,827	361,519

GLASTONBURY FESTIVALS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

20 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash at bank and in hand	538,598	478,925	-	1,017,523
Bank overdrafts	(8,849)	(6,072)	-	(14,921)
		<u>472,853</u>		
Debt due within 1 year	(12,000)	-	-	(12,000)
Debt due after 1 year	(166,902)	(126,596)	-	(293,498)
Finance leases	-	-	-	-
		<u>(126,596)</u>		
Total	<u>350,847</u>	<u>346,257</u>	<u>-</u>	<u>697,104</u>

Reconciliation of net cash flow to movement in net debt

	1998 £	1997 £
Increase in cash in the year	472,853	503,484
Cash inflow from increase in debt and lease financing	(126,596)	(106,150)
Change in net debt resulting from cash flows	<u>346,257</u>	<u>397,334</u>
Net debt at 1st January 1998	350,847	(46,487)
Net debt at 31st December 1998	<u>697,104</u>	<u>350,847</u>