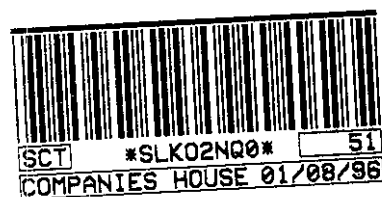


LYCEUM THEATRE TRADING LIMITED

ACCOUNTS

For the year to 31st March 1996



LYCEUM THEATRE TRADING LIMITED

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31st March 1996.

Results

The loss for the year amounted to £12,843 (1995: profit £10,680). No contribution under deed of covenant (1995: £5,400) was made to the ultimate parent undertaking and the retained loss for the year was £12,843 (1995: profit £5,280).

Review of the business

The company's principal activity during the year was the provision of bar and catering facilities although the restaurant operation was closed on 3rd February 1996 and a new franchise operation has now been concluded. The Usher Hall bar service arrangement was terminated during June 1995.

Fixed assets

The changes in fixed assets during the year are summarised in the notes to the accounts.

Directors and their interests

The directors and their interests in the capital for the company during the year were as follows:

	Ordinary shares	
	1996	1995
Councillor Donald C E Gorrie OBE	-	-
Councillor Stephen Cardownie	-	-
Philip Oppenheim	-	-

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

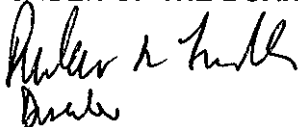
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 accounts 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.

Auditors

A resolution to reappoint Messrs Chiene & Tait, CA as auditors will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD



TM COMPANY SERVICES LIMITED
Secretaries

20th June 1996

NORMAN LESSELS C.B.E.
JEREMY M CHITTLEBURGH
DAVID A F COLLIER
J MARTIN HALDANE
HELEN MACKENZIE
J GAVIN MORTON
MARTIN F SINCLAIR
RONALD M SINCLAIR
WILLIAM G R THOMSON

**AUDITORS' REPORT TO THE MEMBERS OF
LYCEUM THEATRE TRADING LIMITED**

We have audited the accounts on pages 3 to 8 which have been prepared on the basis of the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

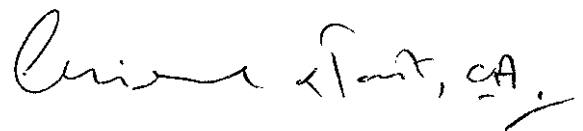
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

As explained in note 15 the accounts have been prepared on a going concern basis which assumes that the parent company will itself be in a position to provide the funds it has undertaken to supply to enable the claims of creditors to be met as they fall due. The company also depends on the continued support of its bankers. Our opinion is not qualified in respect of this fundamental uncertainty.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHIENE & TAIT, CA
Registered Auditors

8 July, 1996

LYCEUM THEATRE TRADING LIMITED**PROFIT and LOSS ACCOUNT****For the year ended 31st March 1996**

	Notes	1996 £	1995 £
Turnover	2	276,090	310,270
Cost of sales		249,482	257,268
Gross profit		26,608	53,002
Administrative expenses		36,664	38,903
Operating (loss)/profit		(10,056)	14,099
Interest payable	5	2,701	3,419
(Loss)/profit for the year before taxation		(12,757)	10,680
Taxation	6	86	-
(Loss)/profit for the year after taxation		(12,843)	10,680
Contribution to ultimate parent undertaking under deed of covenant		-	5,400
Retained (loss)/profit for the year	13	(12,843)	5,280

A Statement of Total Recognised Gains and Losses is not shown as all gains and losses are recognised in the profit and loss account.

The notes on page 5 to 8 form part of these accounts.

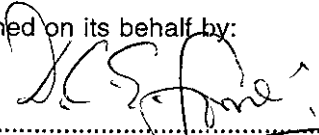
LYCEUM THEATRE TRADING LIMITED

BALANCE SHEET

As at 31st March 1996

	Notes	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	7				
Furniture and office equipment			7,234		14,609
Current assets					
Stocks	8	4,292		7,869	
Debtors	9	2,092		2,810	
Cash at bank and in hand		6,166		44,313	
		12,550		54,992	
Creditors: Amounts falling due within one year	10	41,775		76,899	
Net current liabilities			(29,225)		(21,907)
Total assets less current liabilities			(21,991)		(7,298)
Creditors: amounts falling due after more than one year					
Obligations under finance leases	11		-		(1,850)
			(21,991)		(9,148)
Capital and reserves					
Share capital	12		2		2
Reserves	13		(21,993)		(9,150)
Equity shareholders' funds	14		(21,991)		(9,148)

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



 Councillor Donald C E Gorrie OBE

Director

Edinburgh, 20th June 1996

The notes on page 5 to 8 form part of these accounts.

LYCEUM THEATRE TRADING LIMITED

NOTES to the ACCOUNTS

At 31st March 1996

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Furniture and office equipment - over 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value.

Leasing commitments

Assets obtained under finance leases are capitalised in the Balance Sheet and are depreciated over the life of the lease.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the payments made.

There were no assets obtained under HP contracts at the balance sheet date.

Cash flow statement

The company is a small company as defined by S247 of the Companies Act 1985, and is entitled to exemption from the preparation of a cash flow statement as required under FRS1. Consequently, a cash flow statement has not been prepared.

2. Turnover

Turnover includes bar, catering and merchandise receipts and is stated net of value added tax.

3. Operating loss

	1996	1995
	£	£
This is stated after charging:		
Directors' remuneration	-	-
Auditors' remuneration	1,000	1,000
Depreciation - owned assets	5,767	5,536
leased assets	3,632	3,639
	=====	=====

LYCEUM THEATRE TRADING LIMITED

NOTES to the ACCOUNTS (Contd.)

At 31st March 1996

4. Staff costs

	1996	1995
	£	£
Wages and salaries	106,890	105,820
Social security costs	6,882	7,306
	-----	-----
	113,772	113,126
	=====	=====

The average weekly number of employees during the year was made up as follows:

Bar and catering staff	14	15
	=====	=====

5. Interest payable

	1996	1995
	£	£
Finance leases	1,419	1,419
Loan interest to parent undertaking	1,282	2,000
	-----	-----
	2,701	3,419
	=====	=====

6. Taxation

Tax due on results for year	-	-
Underprovision in previous year	86	-
	-----	-----
	86	-
	=====	=====

7. Tangible fixed assets

	Furniture and Office Equipment
	£
Cost	
At 1st April 1995	45,888
Additions	2,024

At 31st March 1996	47,912

Depreciation	
At 1st April 1995	31,279
Provided during the year	9,399

At 31st March 1996	40,678

Net book value	
At 31st March 1996	7,234
	=====
At 31st March 1995	14,609
	=====

LYCEUM THEATRE TRADING LIMITED

NOTES to the ACCOUNTS (Contd.)

At 31st March 1996

	Furniture & Office Equipment	
	£	
7. Tangible fixed assets (Contd.)		
Included in the amounts above are the following relating to assets purchased under finance leases		
Cost at 31st March 1996		18,194
Accumulated depreciation at 31st March 1996		15,900

Net book value at 31st March 1996		2,294
		=====
8. Stocks	1996	1995
	£	£
Raw materials and consumables	400	1,173
Goods for resale	501	1,421
Bar stock	3,391	5,275
	-----	-----
	4,292	7,869
	=====	=====
9. Debtors		
Trade debtors	2,092	2,696
Prepayments	-	114
	-----	-----
	2,092	2,810
	=====	=====
10. Creditors: amounts falling due within one year		
Trade creditors	14,841	19,550
Amounts owed to parent undertaking	13,588	13,889
Other taxes and social security costs	4,950	7,680
Accruals	6,546	12,511
Obligations under finance leases	1,850	3,269
Loan from parent undertaking	-	20,000
	-----	-----
	41,775	76,899
	=====	=====
The loan from the parent undertaking was repaid during the year.		
11. Creditors: amounts falling due after more than one year	1996	1995
	£	£
Obligations under finance leases	-	1,850
	=====	=====

LYCEUM THEATRE TRADING LIMITED

NOTES to the ACCOUNTS (Contd.)

At 31st March 1996

12. Share capital	Authorised No.	Allotted & Called Up £
Ordinary shares £1 each	100	2
	=====	=====

13. Reserves	1996 £	1995 £
Profit and loss account		
At 1st April 1995	(9,150)	(14,430)
Retained (loss)/profit for the year	(12,843)	5,280
	-----	-----
At 31st March 1996	(21,993)	(9,150)
	=====	=====

14. Reconciliation of movements in shareholders' funds

Shareholders funds		
At 1st April 1995	(9,148)	(14,428)
Retained (loss)/profit for the year	(12,843)	5,280
	-----	-----
At 31st March 1996	(21,991)	(9,148)
	=====	=====

15. Going concern

The company depends on funding from its parent undertaking, the Royal Lyceum Theatre Company Limited, to meet the claims of creditors as they fall due. The parent undertaking itself is dependent on grants from outside sources being obtained. The company negotiated a £10,000 unsecured overdraft facility from its bankers during the year and also depends on continued support from this source.

16. Ultimate parent undertaking

The company is a wholly owned subsidiary of the Royal Lyceum Theatre Company Limited which is incorporated in Scotland.