

LYCEUM THEATRE TRADING LIMITED

ACCOUNTS

For the year to 31 March 1997

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LYCEUM THEATRE TRADING LIMITED

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 March 1997.

Results

The loss for the year amounted to £5,782 (1996: £12,843). No contribution under deed of covenant (1996: £Nil) was made to the ultimate parent undertaking and the retained loss for the year was £5,782 (1996: £12,843).

Review of the business

The company's principal activity during the year was the provision of bar facilities and a new franchise operation for the restaurant area commenced on 7 June 1996, although this has since been restructured.

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 of the company during the year were as follows:

	Ordinary shares	
	1997	1996
Councillor Donald C E Gorrie OBE	-	-
Councillor Stephen Cardownie	-	-
Philip Oppenheim	-	-

Councillor Stephen Cardownie retires by rotation and being eligible offers himself for re-election.

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

8 December 1997

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

Consultant
RONALD M SINCLAIR

**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

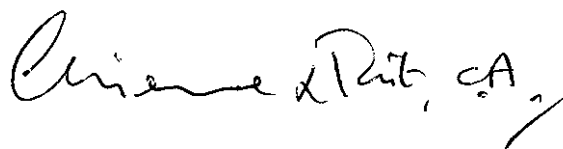
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by 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 company depends on the continued support of its bankers and parent undertaking to finance its ordinary activities. The accounts have been drawn up on a going concern basis which assume that adequate facilities will continue to be available. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 1997 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 December 1997

LYCEUM THEATRE TRADING LIMITED**PROFIT and LOSS ACCOUNT****For the year ended 31 March 1997**

	Notes	1997 £	1996 £
Turnover .	2	164,453	276,090
Cost of sales		148,198	249,482
		-----	-----
Gross profit		16,255	26,608
Administrative expenses		20,755	36,664
		-----	-----
Operating loss		(4,500)	(10,056)
Interest payable	5	1,368	2,701
		-----	-----
Loss for the year before taxation		(5,868)	(12,757)
Taxation	6	(86)	86
		-----	-----
Loss for the year after taxation		(5,782)	(12,843)
Contribution to ultimate parent undertaking under deed of covenant		-	-
		-----	-----
Retained loss for the year	13	(5,782)	(12,843)
		=====	=====

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.

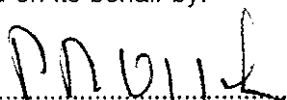
LYCEUM THEATRE TRADING LIMITED

BALANCE SHEET

As at 31 March 1997

	Notes	1997	1996
		£	£
Fixed assets			
Tangible assets	7		
Furniture and office equipment		20,689	7,234
Current assets			
Stocks	8	5,168	4,292
Debtors	9	2,560	2,092
Cash at bank and in hand		1,238	6,166
		8,966	12,550
Creditors: Amounts falling due within one year	10	45,403	41,775
Net current liabilities		(36,437)	(29,225)
Total assets less current liabilities		(15,748)	(21,991)
Creditors: amounts falling due after more than one year			
Obligations under finance leases	11	(12,025)	-
		(27,773)	(21,991)
Capital and reserves			
Share capital	12	2	2
Reserves	13	(27,775)	(21,993)
Equity shareholders' funds	14	(27,773)	(21,991)

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



 Philip Oppenheim

Director

Edinburgh, 8 December 1997

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

LYCEUM THEATRE TRADING LIMITED

NOTES to the ACCOUNTS

At 31st March 1997

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 incurred in bringing each product to its present location and condition, 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 (revised). 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

This is stated after charging:

	1997	1996
	£	£
Directors' remuneration	-	-
Auditors' remuneration	1,000	1,000
Depreciation - owned assets	5,579	5,767
leased assets	2,294	3,632
	=====	=====

LYCEUM THEATRE TRADING LIMITED

NOTES to the ACCOUNTS (Contd.)

At 31 March 1997

4. Staff costs	1997	1996
	£	£
Wages and salaries	58,262	106,890
Social security costs	3,323	6,882
	-----	-----
	61,585	113,772
	=====	=====

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

Bar and catering staff	8	14
	=====	=====

5. Interest payable	1997	1996
	£	£
Bank interest	164	-
Finance leases	1,204	1,419
Loan interest to parent undertaking	-	1,282
	-----	-----
	1,368	2,701
	=====	=====

6. Taxation

Tax due on results for years	-	-
(Over)/underprovision in previous years	(86)	86
	-----	-----
	(86)	86
	=====	=====

7. Tangible fixed assets

	Furniture and Office Equipment
	£
Cost	
At 1 April 1996	47,912
Additions	21,328
Disposals	(18,194)

At 31 March 1997	51,046
	=====
Depreciation	
At 1 April 1996	40,678
Provided during the year	7,873
Disposals	(18,194)

At 31 March 1997	30,357
	=====
Net book value	
At 31 March 1997	20,689
	=====
At 31 March 1996	7,234
	=====

LYCEUM THEATRE TRADING LIMITED

NOTES to the ACCOUNTS (Contd.)

At 31 March 1997

	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 31 March 1997		19,500
Accumulated depreciation at 31 March 1997		1,950

Net book value at 31 March 1997		17,550
		=====
Net book value at 31 March 1996		2,294
		=====
8. Stocks	1997	1996
	£	£
Raw materials and consumables	442	400
Goods for resale	410	501
Bar stock	4,316	3,391
	-----	-----
	5,168	4,292
	=====	=====
9. Debtors		
Trade debtors	2,230	2,092
Prepayments	330	-
	-----	-----
	2,560	2,092
	=====	=====
10. Creditors: amounts falling due within one year		
Bank overdraft	779	-
Trade creditors	9,714	14,841
Amounts owed to parent undertaking	20,787	13,588
Other taxes and social security costs	3,963	4,950
Accruals	6,260	6,546
Obligations under finance leases	3,900	1,850
	-----	-----
	45,403	41,775
	=====	=====
11. Creditors: amounts falling due after more than one year	1997	1996
	£	£
Obligations under finance leases	12,025	-
	=====	=====

LYCEUM THEATRE TRADING LIMITED

NOTES to the ACCOUNTS (Contd.)

At 31st March 1997

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

13. Reserves	1997 £	1996 £
Profit and loss account		
At 1 April 1996	(21,993)	(9,150)
Retained loss for the year	(5,782)	(12,843)
	-----	-----
At 31 March 1997	(27,775)	(21,993)
	=====	=====

14. Reconciliation of movements in shareholders' funds

At 1 April 1996	(21,991)	(9,148)
Retained loss for the year	(5,782)	(12,843)
	-----	-----
At 31 March 1997	(27,773)	(21,991)
	=====	=====

15. Going concern

The company meets its day to day working capital requirements through an unsecured overdraft facility which is repayable on demand. The company has prepared projections for the year ended 31 March 1998 and expects to operate within the facility currently agreed and within that expected to be agreed on 31 December 1997, when the company's bankers are due to consider its renewal for a further period.

The company also 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 and facilities from outside sources being obtained.

16. Ultimate parent undertaking

The company is a wholly owned subsidiary of the Royal Lyceum Theatre Company Limited which is limited by guarantee and incorporated in Scotland, and it was controlled by this company through the year.