

LYCEUM THEATRE TRADING LIMITED

ACCOUNTS

For the year to 31 March 1999



LYCEUM THEATRE TRADING LIMITED

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 March 1999.

Results

The profit for the year before tax amounted to £12,938 (1998: £14,395). No contribution under deed of covenant (1998: £Nil) was made to the ultimate parent undertaking and the retained profit for the year was £10,503 (1998: £14,395).

Review of the business

The company's principal activity during the year was the provision of bar and catering facilities. Bistro Florentin Limited surrendered the agreement to run the Grindlay Street Restaurant outlet with effect from 2 May 1998. The company has entered into a new agreement with Tuscan Square with effect from 17 March 1999.

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 shares of the company during the year were as follows:

	Ordinary shares	
	1999	1998
Councillor Stephen Cardownie	-	-
Philip Oppenheim	-	-

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.

Year 2000

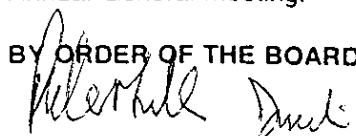
The directors are currently reviewing in-house electronic systems and theatre machinery and are planning to have all of these year 2000 compliant by 31 July 1999. The ability of suppliers and external service providers to cope with this issue is also being addressed.

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


7/1 1999

**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 assumes 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chiene & Tait, CA

CHIENE & TAIT, CA
Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL

9 July 1999

LYCEUM THEATRE TRADING LIMITED

PROFIT and LOSS ACCOUNT

For the year ended 31 March 1999

	Notes	1999 £	1998 £
Turnover	2	156,311	169,937
Cost of sales		124,835	138,519
Gross profit		31,476	31,418
Administrative expenses		17,666	16,144
Operating profit	3	13,810	15,274
Interest payable	5	872	879
Profit for the year before taxation		12,938	14,395
Taxation	6	2,435	-
Profit for the year after taxation		10,503	14,395
Contribution to ultimate parent undertaking under deed of covenant		-	-
Retained profit for the year	13	10,503	14,395

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.

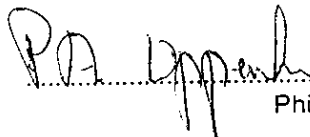
LYCEUM THEATRE TRADING LIMITED

BALANCE SHEET

As at 31 March 1999

	Notes	£	1999 £	£	1998 £
Fixed assets					
Tangible assets	7				
Furniture and office equipment			11,100		15,771
Current assets					
Stocks	8	2,659		4,196	
Debtors	9	20,487		7,392	
Cash at bank and in hand		1,457		1,225	
		-----		-----	
		24,603		12,813	
Creditors: Amounts falling due within one year	10	34,353		33,837	
		-----		-----	
Net current liabilities			(9,750)		(21,024)
			-----		-----
Total assets less current liabilities			1,350		(5,253)
Creditors: amounts falling due after more than one year					
Obligations under finance leases	11		(4,225)		(8,125)
			-----		-----
			(2,875)		(13,378)
			=====		=====
Capital and reserves					
Share capital	12		2		2
Reserves	13		(2,877)		(13,380)
			-----		-----
Equity shareholders' funds	14		(2,875)		(13,378)
			=====		=====

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


Philip Oppenheim

Director

Edinburgh, 5 JULY 1999

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

LYCEUM THEATRE TRADING LIMITED

NOTES to the ACCOUNTS

At 31 March 1999

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with accounting standards.

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.

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 profit/(loss)

This is stated after charging:

Directors' remuneration

Auditors' remuneration

Depreciation - owned assets

leased assets

	1999	1998
	£	£
	-	-
	1,275	1,150
	771	1,018
	3,900	3,900
	=====	=====

LYCEUM THEATRE TRADING LIMITED

NOTES to the ACCOUNTS (Contd.)

At 31 March 1999

4. Staff costs	1999	1998
	£	£
Wages and salaries	48,194	54,688
Social security costs	2,827	3,842
	-----	-----
	51,021	58,530
	=====	=====

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

	No.	No.
Bar and catering staff	6	6
	=====	=====

5. Interest payable	£	£
Bank interest	80	87
Finance leases	792	792
	-----	-----
	872	879
	=====	=====

6. Taxation

Tax due on results for years at 21%	2,435	-
	-----	-----
	2,435	-
	=====	=====

7. Tangible fixed assets

	Furniture and Office Equipment £
Cost	
At 1 April 1998	51,046
Additions	-
Disposals	-

At 31 March 1999	51,046
	=====
Depreciation	
At 1 April 1998	35,275
Provided during the year	4,671
Disposals	-

At 31 March 1999	39,946
	=====
Net book value	
At 31 March 1999	11,100
	=====
At 31 March 1998	15,771
	=====

LYCEUM THEATRE TRADING LIMITED

NOTES to the ACCOUNTS (Contd.)

At 31 March 1999

	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 1999		19,500
Accumulated depreciation at 31 March 1999		9,750

Net book value at 31 March 1999		9,750
		=====
Net book value at 31 March 1998		13,650
		=====
8. Stocks	1999	1998
	£	£
Raw materials and consumables	286	436
Goods for resale	418	763
Bar stock	1,955	2,997
	-----	-----
	2,659	4,196
	=====	=====
9. Debtors		
Trade debtors	2,711	7,062
Amounts due by parent undertaking	17,446	-
Prepayments	330	330
	-----	-----
	20,487	7,392
	=====	=====
10. Creditors: amounts falling due within one year		
Bank overdraft	11,591	824
Trade creditors	12,019	8,764
Amounts owed to parent undertaking	-	8,252
Corporation tax	2,435	-
Other taxes and social security costs	1,779	3,902
Accruals	2,629	5,195
Obligations under finance leases	3,900	3,900
Deferred income	-	3,000
	-----	-----
	34,353	33,837
	=====	=====
11. Creditors: amounts falling due after more than one year		
Obligations under finance leases	4,225	8,125
	=====	=====

LYCEUM THEATRE TRADING LIMITED

NOTES to the ACCOUNTS (Contd.)

At 31 March 1999

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

13. Reserves	1999 £	1998 £
Profit and loss account		
At 1 April 1998	(13,380)	(27,775)
Retained profit for the year	10,503	14,395
	-----	-----
At 31 March 1999	(2,877)	(13,380)
	=====	=====

14. Reconciliation of movements in shareholders' funds

At 1 April 1998	(13,378)	(27,773)
Retained profit for the year	10,503	14,395
	-----	-----
At 31 March 1999	(2,875)	(13,378)
	=====	=====

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 2000 and expects to operate within the facility which was agreed in March 1999 for a 12 month 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 ultimate parent undertaking and immediate controlling party throughout the year was the Royal Lyceum Theatre Company Limited which is limited by guarantee and incorporated in Scotland.