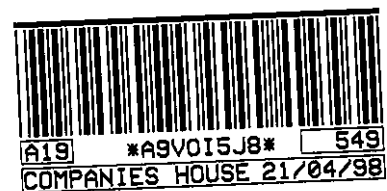


Company Registration Number:  
2228390

**THE REALLY USEFUL STAGE PRODUCTIONS COMPANY LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**30 JUNE 1997**



**THE REALLY USEFUL STAGE PRODUCTIONS COMPANY LIMITED**

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# **THE REALLY USEFUL STAGE PRODUCTIONS COMPANY LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 June 1997.

### **ACTIVITIES**

The company's main activity is that of theatre ownership and management.

### **RESULTS AND DIVIDENDS**

An interim dividend of £1,980,000 (1996 - £Nil) was paid during the year. The directors do not recommend a final dividend (1996 - £Nil). The profit for the year, after taxation, amounted to £1,137,537 (1996 - £3,089,217).

The directors consider the result for the year to be satisfactory.

### **FUTURE PROSPECTS**

The directors consider future prospects to be good.

### **DIRECTORS**

The directors who served during the year were as follows:

Patrick McKenna	(resigned 30 July 1997)
William Taylor	
Keith Turner	

Harry Dagnall was appointed as a director on 10 October 1997.

In accordance with the company's Articles of Association, all the present directors continue in office.

No director had any interest in the shares of any group company during the year.

### **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 as at the end of the financial year 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 then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* state whether applicable accounting standards have been followed;
- \* prepare the financial statements on a 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.


**THE REALLY USEFUL STAGE PRODUCTIONS COMPANY LIMITED**

**DIRECTORS' REPORT (continued)**

**AUDITORS**

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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

A handwritten signature in dark ink, appearing to read 'P.H. Chhaya', written over a horizontal line.

P.H. Chhaya  
Secretary  
LONDON

21 January 1998

## AUDITORS' REPORT TO THE MEMBERS OF

### THE REALLY USEFUL STAGE PRODUCTIONS COMPANY LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 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.

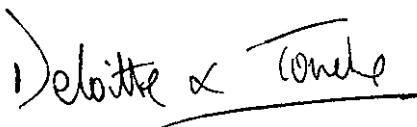
#### BASIS OF OPINION

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 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 affairs of the company as at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, reading "Deloitte & Touche", with a horizontal line underneath the text.

Deloitte & Touche  
Chartered Accountants and Registered Auditors  
Hill House  
1 Little New Street  
LONDON  
EC4A 3TR

22 January 1998

**THE REALLY USEFUL STAGE PRODUCTIONS COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT**

**Year ended 30 June 1997**

	Note	1997 £	1996 £
Turnover	2	2,085,488	2,428,682
Cost of sales		<u>(386,515)</u>	<u>(417,681)</u>
Gross profit		1,698,973	2,011,001
Administration expenses		(413,722)	(326,899)
Other operating income		<u>485,000</u>	<u>421,270</u>
Operating profit		1,770,251	2,105,372
Dividends from associated company		-	1,700,000
Interest receivable		<u>-</u>	<u>7,691</u>
Profit on ordinary activities before taxation	3	1,770,251	3,813,063
Tax on profit on ordinary activities	5	<u>(632,714)</u>	<u>(723,846)</u>
Profit on ordinary activities after taxation		1,137,537	3,089,217
Dividends	6	<u>(1,980,000)</u>	<u>-</u>
Retained (loss)/profit for the year		(842,463)	3,089,217
Profit and loss account brought forward		<u>3,159,834</u>	<u>70,617</u>
Profit and loss account carried forward		<u><u>2,317,371</u></u>	<u><u>3,159,834</u></u>

No statement of total recognised gains and losses has been prepared on the grounds that there are no differences between reported profits and total recognised gains and losses.

All activities derive from continuing operations.

**THE REALLY USEFUL STAGE PRODUCTIONS COMPANY LIMITED**

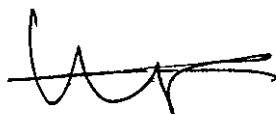
**BALANCE SHEET**

at 30 June 1997

	Note	1997 £	1996 £
<b>Fixed Assets</b>			
Tangible assets	7	6,766,305	6,884,990
Investments	8	<u>1,620,100</u>	<u>1,700,100</u>
		<u>8,386,405</u>	<u>8,585,090</u>
<b>Current Assets</b>			
Stocks	9	8,308	6,138
Debtors	10	855,675	1,341,887
Cash at bank in hand		<u>750</u>	<u>86,610</u>
		864,733	1,434,635
<b>Creditors : amounts falling due within one year</b>	11	<u>(1,912,784)</u>	<u>(1,434,838)</u>
<b>Net current liabilities</b>		<u>(1,048,051)</u>	<u>(203)</u>
<b>Total assets less current liabilities</b>		7,338,354	8,584,887
<b>Creditors: Amounts falling due after more than one year</b>	12	(5,000,000)	(5,400,000)
<b>Provisions for liabilities and charges</b>	13	<u>(20,883)</u>	<u>(24,953)</u>
		<u>2,317,471</u>	<u>3,159,934</u>
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Profit and loss account		<u>2,317,371</u>	<u>3,159,834</u>
<b>Equity shareholders' funds</b>		<u>2,317,471</u>	<u>3,159,934</u>

These financial statements were approved by the Board of Directors on 24 January 1998.

Signed on behalf of the Board of Directors



William Taylor  
Director

# THE REALLY USEFUL STAGE PRODUCTIONS COMPANY LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 1997

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

a) **Accounting convention**

The financial statements are prepared under the historical cost convention

b) **Depreciation**

Amounts are provided so as to write off the cost of tangible fixed assets over their estimated useful lives, on a straight line basis, using the following rates:

Furniture, fixtures and equipment	10-25 per cent per annum
Long leasehold land and buildings	over unexpired term of lease
Freehold buildings	2 per cent per annum

c) **Deferred taxation**

Deferred taxation is provided on timing differences arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

d) **Stocks**

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

e) **Investments in associated undertakings**

The investment in associated undertaking is shown at cost less amortisation of the goodwill.

### 2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company. Turnover is stated exclusive of value added tax and arose solely in the United Kingdom.



**THE REALLY USEFUL STAGE PRODUCTIONS COMPANY LIMITED**

**NOTES TO THE ACCOUNTS**

**Year ended 30 June 1997**

<b>3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and amortisation	211,651	126,268
Auditors' remuneration - as auditors	<u>3,300</u>	<u>5,200</u>

<b>4. EMPLOYEES AND DIRECTORS</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Staff costs:		
Salaries and wages	147,731	146,242
Social security costs	<u>8,498</u>	<u>8,134</u>
	<u><u>156,229</u></u>	<u><u>154,376</u></u>

The average number of persons employed by the company (including directors) during the year was as follows:

	<b>1997</b>	<b>1996</b>
	<b>Number</b>	<b>Number</b>
Office and management	3	3
Bar and catering	<u>26</u>	<u>22</u>
	<u><u>29</u></u>	<u><u>25</u></u>

Staff costs relating to 5 (1996 - 5) employees are reimbursed by the producers. The directors received no remuneration during the year (1996 - £Nil).

<b>5. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
United Kingdom corporation tax at 32.5% (1996 - 33%)	636,093	743,090
Deferred taxation	(4,070)	(14,493)
Adjustment in respect of previous years	<u>691</u>	<u>(4,751)</u>
	<u><u>632,714</u></u>	<u><u>723,846</u></u>

<b>6. DIVIDENDS</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Interim - paid (£19,800 per ordinary share)	<u><u>1,980,000</u></u>	<u><u>-</u></u>

**THE REALLY USEFUL STAGE PRODUCTIONS COMPANY LIMITED**

**NOTES TO THE ACCOUNTS**

**Year ended 30 June 1997**

<b>7. TANGIBLE FIXED ASSETS</b>	<b>Freehold Property</b>	<b>Long Leasehold Property</b>	<b>Fixtures, Fittings &amp; Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost:				
At 1 July 1996	3,088,501	3,974,749	239,851	7,303,101
Additions	-	-	12,966	12,966
At 30 June 1997	<u>3,088,501</u>	<u>3,974,749</u>	<u>252,817</u>	<u>7,316,067</u>
Depreciation:				
At 1 July 1996	178,172	171,357	68,582	418,111
Charge for the year	61,770	34,265	35,616	131,651
At 30 June 1997	<u>239,942</u>	<u>205,622</u>	<u>104,198</u>	<u>549,762</u>
Net book value:				
At 30 June 1997	<u>2,848,559</u>	<u>3,769,127</u>	<u>148,619</u>	<u>6,766,305</u>
At 30 June 1996	<u>2,910,329</u>	<u>3,803,392</u>	<u>171,269</u>	<u>6,884,990</u>

Included in freehold property is land at a cost of £150,000 which is not depreciated.

**8. INVESTMENTS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Shares in associated company at cost	1,700,100	1,700,100
Less: Amortisation for year	<u>(80,000)</u>	<u>-</u>
	<u>1,620,100</u>	<u>1,700,100</u>

The investment represents an equity shareholding of 50% in the allotted share capital of The Adelphi Theatre Company Limited, a theatre management company, incorporated in Great Britain and registered in England and Wales.

**9. STOCKS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Goods for resale	<u>8,308</u>	<u>6,138</u>

**THE REALLY USEFUL STAGE PRODUCTIONS COMPANY LIMITED**

**NOTES TO THE ACCOUNTS**

**Year ended 30 June 1997**

<b>10. DEBTORS</b>	<b>1997</b>	<b>1996</b>
	£	£
Trade debtors	172,061	292,649
Amounts owed by associated company	7,350	305,951
Advanced corporation tax recoverable	495,000	317,671
Other debtors	385	400
Prepayments and accrued income	180,879	425,216
	<u>855,675</u>	<u>1,341,887</u>

Of the £495,000 advanced corporation tax recoverable, £51,444 (1996-£nil) is recoverable after more than one year.

<b>11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>1997</b>	<b>1996</b>
	£	£
Bank overdraft	26,199	-
Trade creditors	85,628	32,882
Amounts owed to parent company	173,661	176,642
Amounts owed to fellow subsidiary company	811,100	636,015
Other creditors including taxation and social security	79,690	105,299
Corporation tax	-	380,459
Group relief payable	636,093	-
Accruals and deferred income	100,413	103,541
	<u>1,912,784</u>	<u>1,434,838</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>1997</b>	<b>1996</b>
	£	£
Loan from immediate parent company	<u>5,000,000</u>	<u>5,400,000</u>

The loan is unsecured, bears no interest and is not repayable before 30 June 1998.

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>1997</b>	<b>1996</b>
	£	£
Deferred Taxation:		
Balance at 1 July	24,953	22,937
Credited to profit and loss account	(4,070)	(14,493)
Adjustment in respect of prior years	-	16,509
Balance at 30 June	<u>20,883</u>	<u>24,953</u>

There is no potential unprovided deferred taxation.

# THE REALLY USEFUL STAGE PRODUCTIONS COMPANY LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 1997

### 14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Profit attributable to members of the company	1,137,537	3,089,217
Dividends	(1,980,000)	-
Net (reduction in)/addition to shareholders' funds	(842,463)	3,089,217
Opening shareholders' funds	3,159,934	70,717
Closing shareholders' funds	<u>2,317,471</u>	<u>3,159,934</u>

### 15. CALLED UP SHARE CAPITAL

	1997	1996
Authorised, allotted and fully paid:		
100 ordinary shares of £1 each	<u>£100</u>	<u>£100</u>

### 16. ULTIMATE PARENT COMPANY

The ultimate parent company is Really Useful Holdings Limited, which is registered in England and Wales, and controlled by The Lord Lloyd-Webber. A copy of the group accounts may be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

### 17. CASH FLOW STATEMENT

The company has not prepared a cash flow statement as it is a wholly owned subsidiary undertaking and its ultimate parent company has prepared a cash flow statement.

### 18. RELATED PARTY TRANSACTIONS

The company is taking advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 "Related Party Disclosures" not to disclose transactions with group companies which are related parties.