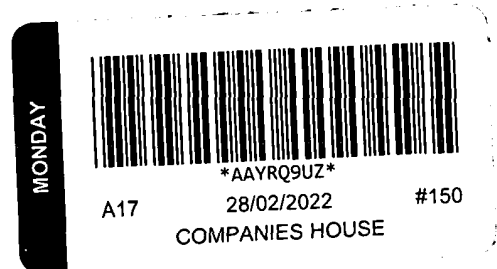

THEATRE ROYAL BATH ENTERPRISES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021



THEATRE ROYAL BATH ENTERPRISES LIMITED

CONTENTS

	Page
Company information	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 7
Statement of income and retained earnings	8
Balance sheet	9
Notes to the financial statements	10 - 13

THEATRE ROYAL BATH ENTERPRISES LIMITED

COMPANY INFORMATION

Directors	P B Heal G J Ingham D G Moar S W Ross C L Walker S P Holdsworth (appointed 1 October 2020)
Company secretary	G M Akbar
Registered number	01640869
Registered office	Theatre Royal Bath Sawclose Bath BA1 1ET
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors Portwall Place Portwall Lane Bristol BS1 6NA

THEATRE ROYAL BATH ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2021

The directors present their report and the financial statements for the year ended 31 May 2021.

Principal activity

Theatre Royal Bath Enterprises Limited manages and runs certain theatrical productions for both its parent The Theatre Royal Bath Limited and another group company Theatre Royal Bath Productions Ltd.

After making enquiries, the directors have reasonable expectations that the company has adequate resources to continue operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served during the year were:

P B Heal
Sir R C F Hill (resigned 8 October 2021)
G J Ingham
D G Moar
S W Ross
C L Walker
S P Holdsworth (appointed 1 October 2020)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.


Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26/02/2022 and signed on its behalf.


Danny Moar (Feb 26, 2022 12:21 GMT)

D G Moar
Director

THEATRE ROYAL BATH ENTERPRISES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MAY 2021

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

THEATRE ROYAL BATH ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THEATRE ROYAL BATH ENTERPRISES LIMITED

Opinion

We have audited the financial statements of Theatre Royal Bath Enterprises Limited (the 'company') for the year ended 31 May 2021 which comprise the Statement of income and retained earnings, Balance sheet, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

THEATRE ROYAL BATH ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THEATRE ROYAL BATH ENTERPRISES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the directors' report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page , the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

THEATRE ROYAL BATH ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THEATRE ROYAL BATH ENTERPRISES LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the company's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of regulations impacting on the company.

We understand that the company complies with the framework through:

- updating operating procedures and internal controls as legal and regulatory requirements change;
- regular reviews of risk by management and the Directors; and
- the Directors' close oversight through regular meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the company:

- FRS 102 and the requirements of the Companies Act 2006 in respect of the preparation and presentation of the financial statements;
- Health and safety regulations.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries with management and directors as to the risks of non-compliance and any instances thereof; and
- Reading minutes of meetings of those charged with governance and reviewing any correspondence between regulators and the company.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were:

- Management override of control; and
- Revenue recognition, specifically the manipulation of revenue through incorrect recognition.

The procedures carried out to gain evidence in the above areas included:

- testing of a sample of journal entries, selected through applying specific risk assessments based on the company's processes and controls surrounding journal entries;
- reviewing and challenging estimates made by management; and
- substantive work on revenue transactions.

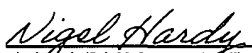
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THEATRE ROYAL BATH ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THEATRE ROYAL BATH ENTERPRISES
LIMITED (CONTINUED)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Nigel Hardy (Feb 28, 2022 12:26 GMT)

Nigel Hardy (Senior statutory auditor)

for and on behalf of
Nexia Smith & Williamson

Chartered Accountants
Statutory Auditors

Portwall Place
Portwall Lane
Bristol
BS1 6NA
Date: 28/02/2022

THEATRE ROYAL BATH ENTERPRISES LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MAY 2021**

	Note	2021 £	2020 £
Turnover		(48,441)	3,189,335
Cost of sales		43,471	(3,508,166)
Gross loss		<u>(4,970)</u>	<u>(318,831)</u>
Interest receivable and similar income		-	177
Loss before tax		<u>(4,970)</u>	<u>(318,654)</u>
Tax on loss	4	4,970	318,831
Profit after tax		<u>-</u>	<u>177</u>
Retained earnings at the beginning of the year		530	353
		<u>530</u>	<u>353</u>
(Loss)/profit for the year		-	177
Retained earnings at the end of the year		<u>530</u>	<u>530</u>

The notes on pages 10 to 13 form part of these financial statements.


THEATRE ROYAL BATH ENTERPRISES LIMITED
REGISTERED NUMBER: 01640869

BALANCE SHEET
AS AT 31 MAY 2021

	Note	2021 £	2020 £
Current assets			
Stocks	5	241,650	-
Debtors	6	61,604	1,632,556
		<u>303,254</u>	<u>1,632,556</u>
Creditors	7	(292,724)	(1,622,026)
Net current assets		<u>10,530</u>	<u>10,530</u>
Total assets less current liabilities		<u>10,530</u>	<u>10,530</u>
Net assets		<u>10,530</u>	<u>10,530</u>
Capital and reserves			
Called up share capital	8	10,000	10,000
Profit and loss account		530	530
		<u>10,530</u>	<u>10,530</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26/02/2022


 Danny Moar (Feb 26, 2022 12:21 GMT)

D G Moar
 Director

The notes on pages 10 to 13 form part of these financial statements.

THEATRE ROYAL BATH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

Theatre Royal Bath Enterprises Limited is a private limited company incorporated in England and Wales. The address of the registered office is Theatre Royal Bath, Sawclose, Bath, BA1 1ET.

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 - the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Turnover

Turnover is the commission fee receivable from Theatre Royal Bath Productions Limited. This comprises the net balance of productions costs incurred in Theatre Royal Bath Productions Limited in relation to its theatrical presentations in the UK and overseas, less any Theatre Tax Relief claimed through Theatre Royal Bath Enterprises Limited.

Income is recognised on completion of productions.

1.3 Going concern and impact of COVID-19

The financial statements have been prepared on a going concern basis.

Theatre Royal Bath Enterprises Limited trades with its parent and a fellow subsidiary. The Group has reduced its fixed costs to reduce cash outflow; staffing and running the organisation at a minimum level when theatres could not open. It has utilised available Government financial help including the Coronavirus Job Retention Scheme, the Culture Recovery Fund and has received a Coronavirus Business Interruption Loan.

The Directors consider that the level of funds held by the Group, the available cash on hand, and the budgeted income and expenditure is sufficient for the Group to be able to continue as a going concern. Whilst future attendance figures, and thus the Group's income is uncertain, the level of cash on hand means that the Group can cover its costs even through a period of significantly reduced income and thus there are no material uncertainties relating to going concern.

1.4 Work in progress

Work in progress, which represents direct costs of theatrical productions in pre-production at the year end, is stated at the lower of cost and net realisable value.

1.5 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash

THEATRE ROYAL BATH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

1. Accounting policies (continued)

1.5 Financial instruments (continued)

flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

The directors, in preparing the financial statements, had to assess if the planned productions for which costs had been incurred to date were likely to go ahead in the future, and as such whether those costs, on a production by production basis, were likely to be recoverable from future income. The costs incurred on any production judged unlikely to proceed have been written off in these financial statements.

3. Employees

The company has no employees other than the directors (2020 - NIL).

Other than Mr Moar, none of the directors received any remuneration. The remuneration of Mr Moar is paid by The Theatre Royal Bath Limited (2020 - same). Although an amount could be apportioned to the services provided to Theatre Royal Bath Enterprises Limited, the directors consider that this amount is immaterial.

THEATRE ROYAL BATH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

4. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	<u>(4,970)</u>	<u>(318,831)</u>

Factors affecting tax charge for the year

The current year and prior year tax credits relate to UK Theatre Tax Relief.

Factors that may affect future tax charges

It is expected that tax credits from Theatre Tax Relief will continue to be available for the foreseeable future.

5. Stocks

	2021 £	2020 £
Work in progress	<u>241,650</u>	<u>-</u>

6. Debtors

	2021 £	2020 £
Amounts owed by parent company	61,604	990,091
Tax recoverable	-	642,465
	<u>61,604</u>	<u>1,632,556</u>

THEATRE ROYAL BATH ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	204,141	1,463,530
Accruals and deferred income	88,583	158,496
	<u>292,724</u>	<u>1,622,026</u>

8. Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
10,000 (2020 - 10,000) Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

9. Contingent liabilities

By way of fixed and floating charges over its assets, the company has guaranteed a group bank loan of £1 million (2020 - £nil).

10. Post balance sheet events

In June 2021 the company was able to recommenced its trading activities.

11. Ultimate controlling party

The immediate and ultimate controlling party is The Theatre Royal Bath Limited, a company limited by guarantee and incorporated in England and Wales. Copies of the group financial statements of The Theatre Royal Bath Limited are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.