

Exchange Productions Limited
Directors' Report and Financial Statements
for the year ended 31 August 2016

Registered Number 2413667



Exchange Productions Limited

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Exchange Productions Limited

Information and Advisors

Directors

Ben Caldwell
Geoffrey Shindler
Jennifer Raffle

Secretary

Barry James

Registered office

Royal Exchange Theatre Company Limited
St Ann's Square
Manchester
M2 7DH

Company registration number

2413667

Bankers

National Westminster Bank plc
Manchester Regional Office
PO BOX 305
Spring Gardens
Manchester
M60 2DB

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Solicitors

Harbottle & Lewis
14 Hanover Square
London
W1R 0B

Exchange Productions Limited

Directors' Report

The directors present their report together with the audited financial statements for the year ended 31 August 2016.

Principal activity

The company is principally engaged in the presentation of stage productions.

Review of the year

The result for the financial year amounted to £nil (2015:£nil). The loss on ordinary activities arising in the financial year equates to the value of the Theatre Tax Relief credit, leaving a break-even position after taxation.

Directors

The directors in office during the year are listed below:

Braham Murray (resigned 09 October 2015)

Ben Caldwell

Geoffrey Shindler

Jennifer Raffle

Going concern

Although at 31 August 2016, the company's liabilities exceeded its assets by £2,156 (2015: £2,156) the directors consider that it is appropriate to prepare the financial statements on a going concern basis, as the company has received a commitment of support from its parent undertaking, Royal Exchange Theatre Company Limited.

Statement of directors' responsibilities

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Exchange Productions Limited

Directors' Report (continued)

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 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.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Disclosure of information to auditors

Each of the persons who are directors at the date of approval of this report confirm that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Small Company Provisions

This report has been prepared in accordance with the special provisions of part 15 of the small companies regime of the Companies Act 2006. The company has also taken the small companies exemption from preparing a strategic report.

Independent Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the Annual General Meeting.

On behalf of the Board



Ben Caldwell
Director
24 March 2017

Exchange Productions Limited

Independent auditors' report to the members of Exchange Productions Limited

Report on the financial statements

In our opinion, Exchange Productions Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 August 2016 and of its result 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.

The financial statements, which are prepared by Exchange Productions Limited, comprise:

- the balance sheet as at 31 August 2016;
- the statement of comprehensive income and retained earnings for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled: to take advantage of the small companies exemption in preparing the directors' report; to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Exchange Productions Limited

Independent auditors' report to the members of Exchange Productions Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

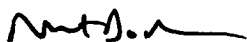
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' Report and Financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Nicholas Boden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
4th April 2017

Exchange Productions Limited

Statement of comprehensive income and retained earnings for the year ended 31 August 2016

	Note	2016 £	2015 £
Turnover		2,806,399	2,354,664
Cost of Sales		(3,153,059)	(2,634,534)
Loss on ordinary activities before taxation		(346,660)	(279,870)
Tax on loss on ordinary activities	4	346,660	279,870
Result for the financial year		-	-
Accumulated losses at 1 September 2015 / 1 September 2014		(2,158)	(2,158)
Accumulated losses at 31 August 2016 / 31 August 2015		(2,158)	(2,158)

All results are derived from continuing operations.

The company has no comprehensive income other than those included in the results above, and therefore no separate statement of comprehensive income has been presented.

Exchange Productions Limited

Balance sheet as at 31 August 2016

	Note	2016 £	2015 £
Current assets			
Debtors	5	347,307	320,233
Cash at bank and in hand		654	99
Creditors: amounts falling due within one year	6	(350,117)	(322,488)
Net liabilities		(2,156)	(2,156)
Capital and reserves			
Called Up Share capital	7	2	2
Profit and loss account		(2,158)	(2,158)
Total shareholders' deficit		(2,156)	(2,156)

The financial statements on pages 6 to 11 were approved by the Board of Directors on 24 March 2017 and signed on its behalf by:



Ben Caldwell
Director

Exchange Productions Limited
Registered number: 2413667

Exchange Productions Limited

Notes to the financial statements for the year ended 31 August 2016

1 Accounting policies

Basis of preparation

Exchange Productions is a company limited by shares and is incorporated in England.

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') under the historic cost convention and in accordance with the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements for the first time. There is no impact on either the balance sheet or profit in the current or previous year as a result of this transition.

Although at 31 August 2016, the company's liabilities exceeded its assets by £2,156 (2015: £2,156) the directors consider that it is appropriate to prepare the financial statements on a going concern basis, as the company has received a commitment of support from its parent undertaking, Royal Exchange Theatre Company Limited.

Cash flow statement

The company has taken advantage of the exemption under FRS 102 paragraph 3.17(d) from the requirements of Section 7 Statement of Cash Flows, and decided not to prepare a cash flow statement as it is included in the consolidated financial statements of its parent undertaking, Royal Exchange Theatre Company Limited.

Turnover

Turnover represents commissioning fees charged to the parent company, Royal Exchange Theatre Company Limited, for the opening, running and closing theatrical productions. This income is recognised on a receivable basis.

Presentational currency

The company's functional and presentation currency is the pound Sterling.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

No critical judgements have been required to be made in applying the company's accounting policies.

Exchange Productions Limited

Notes to the financial statements for the year ended 31 August 2016 (continued)

1 Accounting policies (continued)

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

a) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2 Auditors' fees

The auditors' remuneration of £1,000 (2015: £2,750) has been borne by the parent charitable company.

No fees have been payable to the Company's auditors in respect of any other non-audit services (2015 £nil).

3 Directors and employees

No directors received emoluments during the year (2015: £nil) and there were no employees during the year (2015: none).

Exchange Productions Limited

Notes to the financial statements for the year ended 31 August 2016 (continued)

4 Tax on loss on ordinary activities

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before taxation	(346,660)	(279,870)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 20.58%)	-	-
Effects of:		
Theatre tax relief	346,660	279,870
Total tax credit for the year	346,660	279,870

5 Debtors

	2016 £	2015 £
Other debtors	647	40,363
Theatre tax relief recoverable from HMRC	346,660	279,870
	347,307	320,233

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	350,117	298,084
Other creditors	-	24,404
	350,117	322,488

Amounts due to the parent undertaking are unsecured, interest free and repayable on demand.

Exchange Productions Limited

Notes to the financial statements for the year ended 31 August 2016 (continued)

7 Called up share capital

	2016 £	2015 £
Allotted, called up and fully paid		
2 (2015: 2) Ordinary shares of £1 each	2	2

There is a single class of ordinary shares. There are no restrictions on the distributions of dividends and the repayment of capital.

8 Related parties

The company has taken advantage of the exemption conferred by paragraph 33.1A of FRS 102 not to disclose the transactions with entities that are part of the group on the grounds that the company is a subsidiary undertaking with 100% of its voting rights being controlled within the group.

9 Ultimate controlling party

Royal Exchange Theatre Company Limited is the company's controlling related party by virtue of holding 100% of the issued share capital of the company. Royal Exchange Theatre Company Limited is the parent company of the largest and smallest group of undertakings to consolidate these financial statements. The consolidated financial statements can be obtained from Royal Exchange Theatre, St Ann's Square, Manchester, M2 7DH.