

Financial statements  
Leeds Playhouse (Enterprises) Limited

---

**For the Year Ended 31 July 2019**



**Leeds Playhouse (Enterprises) Limited**  
**Financial statements for the year ended 31 July 2019**

**1**

## Company information

**Company registration number**

02441300

**Registered office**

Leeds Playhouse  
Playhouse Square  
Quarry Hill  
Leeds  
LS2 7UP

**Directors**

Sir R Brooke CBE, Chairman  
Mr A Dix  
Mr M Ellis  
Mr K Emsley  
Cllr P J Gruen  
Mr M Rashid  
Mr A Sharp  
Mr S Walker

**Secretary**

Mrs H Nakhwal - Resigned 03 Feb 2020  
Mr C Williams - Appointed 03 Feb 2020

**Bankers**

National Westminster Bank Plc  
8 Park Row  
Leeds  
LS1 5HD

**Auditor**

Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
1 Holly Street  
Sheffield  
S1 2GT

**Leeds Playhouse (Enterprises) Limited**  
**Financial statements for the year ended 31 July 2019**

**2**

## Index

<b>Report of the directors</b>	3 - 5
<b>Independent auditor's report</b>	6 - 9
<b>Statement of income and retained earnings</b>	10
<b>Balance sheet</b>	11
<b>Notes to the financial statements</b>	12 - 16

## Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 July 2019.

### Principal activities

The principal activities of Leeds Playhouse (Enterprises) Limited ("the company") are catering, front of house and trading activities related to a theatre and it is also commissioned to produce theatrical productions for Leeds Theatre Trust Limited and other theatre companies.

The facilities for catering, front of house and trading activities have been much reduced in scale since the theatre's front of house and auditoria closed to the public at the end of June 2018. During the redevelopment year 2018/19 the catering offer has been scaled back to support the programme in the Pop-Up Theatre although Costume Hire traded as normal. The company has continued to be commissioned to produce theatrical productions for Leeds Theatre Trust Limited and other theatre companies.

The performance of the company relies heavily on the artistic programme and other activities of Leeds Theatre Trust Limited for both its producing work and for the generation of audience members for its catering, front of house and trading activities.

The retained earnings of the company are paid under gift aid to its ultimate parent undertaking, Leeds Theatre Trust Limited.

### Financial risk management objectives and policies

In its commercial trading operations the Company has short-term debtors and cash at bank and in hand only, therefore it is not exposed to financial risk other than in its daily cash flow management. In its operations as production company the receipt of theatre tax relief can carry a level of risk as it is based on assessment from HMRC.

### Directors

The directors who served the company during the period were as follows:

Sir R Brooke CBE, Chairman

Mr A Dix

Mr M H Ellis

Mr K H Emsley

Cllr P J Gruen

Mr M A Rashid

Mr A Sharp

Mr S Walker

### Directors' responsibilities statement

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 102 the Financial Reporting Standard applicable in the UK). 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

**Leeds Playhouse (Enterprises) Limited**  
**Financial statements for the year ended 31 July 2019**

4

## Report of the directors (continued)

### Directors' responsibilities statement (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements 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 confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Donations

Donations made to charitable organisations amounted to £27,412 (2018: £246,424) in connection with the payment made, under gift aid, to Leeds Theatre Trust Limited.

### Going concern

The activities of the company, together with the factors likely to affect its future development and performance, are set out in the Report of the directors. The financial position of the company is described in the Financial Statements and accompanying notes. The organisation is working in conjunction with its parent entity Leeds Theatre Trust, to its newly combined Business Plan.

The theatre has been closed 23 March 2020 and this has had a significant impact on income and expenditure for the Company. The Company has taken advantage of the Government's furlough scheme and other support. However, there is uncertainty over when theatres will be allowed to reopen and able to generate sufficient income to cover the company's cost base.

- \* The financial statements have been prepared on a going concern basis. The directors have taken note of the guidance issued by the Financial reporting Council on Going Concern assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors.

The Board of Leeds Theatre Trust Limited have prepared forecasts and cashflows covering the period to October 2021 and approved by the Board in July 2020. The uncertainty as to the future impact on the Group of the recent COVID-19 outbreak has been separately considered as part of the directors' consideration of the going concern basis of preparation.

Notwithstanding the positive indications of the forecasts and cashflows of the financial stability of the Group, there is a risk that the impact of COVID-19 could be more significant than can be currently anticipated and the directors have concluded that these circumstances represent a material uncertainty which could cast significant doubt on the Group's ability to continue as a going concern. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

**Leeds Playhouse (Enterprises) Limited**  
**Financial statements for the year ended 31 July 2019**

**5**

## Report of the directors (continued)

### **Subsequent events**

During March 2020, the outbreak of Covid-19 was announced as a global pandemic by the World Health Organisation and the Company has concluded that this is a non-adjusting post balance sheet event and as such the pandemic did not have any impact on the measurement of assets and liabilities as at 31 July 2019. The financial impact of this pandemic cannot be estimated at this time.

As part of the financial forecasting work referred to in Going Concern as set out on page 4, the Directors have considered the impact of the pandemic on the business, including on its bases of operation, working capital and the availability of cash.

### **Auditor**

Grant Thornton UK LLP offer themselves for reappointment in accordance with the Companies Act 2006.

### **Small company provisions**

The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by Part 15 and Section 414B(b) of the Companies Act 2006.

By order of the Board



C Williams  
Secretary  
29 July 2020

## Independent auditor's report to the members of Leeds Playhouse (Enterprises) Limited

### **Opinion**

We have audited the financial statements of Leeds Playhouse (Enterprises) Limited (the 'company') for the year ended 31 July 2019 which comprises, the statement of income and retained earnings, balance sheet and 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 Financial Reporting Standard 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 July 2019 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.

### **The impact of uncertainties arising from the UK exiting the European Union on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events currently faced by the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as Brexit.

## Independent auditor's report to the members of Leeds Playhouse (Enterprises) Limited (continued)

### **Material uncertainty related to going concern**

We draw attention to the disclosure in note 1 to the financial statements, which details the factors that the directors have considered in making their going concern assessment, including Government guidelines in relation to the opening of Theatres for live production. The uncertainty as to the future impact of the recent Covid-19 outbreak has been included as part of the directors' consideration, and they have considered the reasonably plausible impact of the outbreak on trading and cash flow forecasts.

While the directors consider the Company, to be a going concern, the uncertainty around the magnitude of the impact of the outbreak indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustment that would result if the going concern basis of preparation was not considered appropriate. Our opinion is not modified in respect of this matter.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 3 to 4, other than the financial statements and our auditor's report thereon. 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.

### **Opinions 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.

### **Matter on which we are required to report under the Companies Act 2006**

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.

## Independent auditor's report to the members of Leeds Playhouse (Enterprises) Limited (continued)

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on pages 3 to 4, 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.

### **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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Independent auditor's report to the members of Leeds Playhouse (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.

*Grant Thornton UK LLP*

Peter Edwards BA FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
SHEFFIELD  
29 July 2020

**Leeds Playhouse (Enterprises) Limited**  
**Financial statements for the year ended 31 July 2019**

10

## Statement of income and retained earnings

		2019	2018
	Note	£	£
Turnover		2,646,102	5,018,713
Cost of sales		(2,509,657)	(4,409,125)
Gross profit		136,445	609,588
Administrative expenses		(109,134)	(363,284)
Operating profit	2	27,311	246,304
Interest receivable		101	121
Profit on ordinary activities before tax		27,412	246,425
Tax on profit on ordinary activities	4	-	-
Profit for the financial year after taxation		27,412	246,425
Retained earnings at the beginning of the year		248	248
Profit for the year		27,412	246,425
Distribution under Gift Aid	5	(27,412)	(246,425)
Retained earnings at the end of the year		248	248

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

**The accompanying accounting policies and notes on pages 10 - 13 form part of these financial statements.**

**Leeds Playhouse (Enterprises) Limited**  
**Financial statements for the year ended 31 July 2019**

11

## Balance Sheet

(Registered number: 02441300)

		2019	2018
	Note	£	£
<b>Current assets</b>			
Stocks	6	2,178	8,315
Debtors	7	799,182	562,493
Cash at bank and in hand		78,635	264,079
		<u>879,995</u>	<u>834,887</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(879,745)</u>	<u>(834,637)</u>
<b>Net current assets</b>		<u>250</u>	<u>250</u>
<b>Total assets less current liabilities</b>		<u>250</u>	<u>250</u>
<b>Capital and reserves</b>			
Called-up equity share capital	9	2	2
Retained earnings		248	248
<b>Shareholders' funds</b>		<u>250</u>	<u>250</u>

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime, and in accordance with Section 1A of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the director and authorised for issue on 29 July 2020.

*Rodney Brooke*

Sir R Brooke CBE  
 Director

**Leeds Playhouse (Enterprises) Limited**  
**Financial statements for the year ended 31 July 2019**

**12**

## Notes to the financial statements

### **1 Principal accounting policies**

#### **General information**

The company is limited by shares and incorporated and registered in England.

Company number: 02441300

Registered Office: Leeds Playhouse, Playhouse Square, Quarry Hill, Leeds LS2 7UP

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company remain unchanged from the previous year and are set out below.

The functional and presentational currency of the company is Sterling (£).

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

#### **Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the goods have been delivered or the point that customer pays for the goods, whichever is earlier.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract and to the extent that the revenue can be reliably measured.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost comprises the invoiced value of the goods and services received.

#### **Pension costs**

The company operates a Group Personal Pension Plan with Standard Life which is a defined contribution contracted-in money purchase scheme. Accordingly these financial statements include pension costs payable on a defined contribution basis, in accordance with section 28 of FRS 102.

#### **Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

## Notes to the financial statements

### **Principal accounting policies (continued)**

#### **Going Concern**

The activities of the company, together with the factors likely to affect its future development and performance, are set out in the Report of the Directors. The financial position of the company is described in the Financial Statements and accompanying notes. The organisation is working in conjunction with its parent entity Leeds Theatre Trust, to its newly combined Business Plan.

The theatre has been closed since 23 March 2020 and this has had a significant impact on income and expenditure for the Company. The Company has taken advantage of the Government's furlough scheme and other support. However, there is uncertainty over when theatres will be allowed to reopen and able to generate sufficient income to cover the company's cost base.

The financial statements have been prepared on a going concern basis. The directors have taken note of the guidance issued by the Financial reporting Council on Going Concern assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors.

The Board of Leeds Theatre Trust Limited have prepared forecasts and cashflows covering the period to October 2021 and approved by the Board in July 2020. The uncertainty as to the future impact on the Group of the recent COVID-19 outbreak has been separately considered as part of the directors' consideration of the going concern basis of preparation.

Notwithstanding the positive indications of the forecasts and cashflows of the financial stability of the Group, there is a risk that the impact of COVID-19 could be more significant than can be currently anticipated and the directors have concluded that these circumstances represent a material uncertainty which could cast significant doubt on the Group's ability to continue as a going concern. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

#### **Gift Aid**

The whole of the issued ordinary share capital of the company is owned by Leeds Theatre Trust Limited, a company limited by guarantee and a registered charity. The company pays each financial period to Leeds Theatre Trust Limited, under the provisions related to Gift Aid, a sum equal to the taxable profits of the company.

#### **Going concern**

The company uses liquid resources and capital balances that arise directly from its operations and cash reserves. The company's budget and forecast cashflow to July 2021 indicate that it will be able to operate within its existing funds for the foreseeable future. For this reason the directors believe the going concern basis for preparing the financial statements is appropriate.

#### **Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. There are no key areas in the financial statements where these judgements and estimates have been made.

**Leeds Playhouse (Enterprises) Limited**  
**Financial statements for the year ended 31 July 2019**

14

## Notes to the financial statements

### 2 Operating profit

Operating profit is stated after charging auditor's remuneration of £4,800 (2018: £4,700).

### 3 Directors and employees

The average number of staff (full-time equivalents) employed by the company during the year was:

	2019 No.	2018 No.
Management and operational staff	<u>7</u>	<u>21</u>

The aggregate payroll costs of the above were:

	2019 £	2018 £
Wages and salaries	65,259	260,238
Redundancy	-	13,491
Social security costs	3,827	15,013
Other pension costs	<u>1,177</u>	<u>2,487</u>
	<u>70,263</u>	<u>291,229</u>

No remuneration was paid to directors during the year (2018: £nil).

## Notes to the financial statements

### 4 Taxation

There is no recognised or unrecognised taxation (2018: £nil).

### 5 Gift Aid

The company has entered into a Deed of Covenant such that all its profits are covenanted to Leeds Theatre Trust Limited under Gift Aid. The amounts covenanted for the year ended 31 July 2019 were £27,412 (2018: £246,424).

### 6 Stocks

	2019	2018
	£	£
Goods for resale	<u>2,178</u>	<u>8,315</u>

The cost of consumed inventories in the year recognised as an expense and included in cost of sales is £51,421 (2018: £283,453).

### 7 Debtors

	2019	2018
	£	£
Trade debtors	15,055	61,684
Debtors arising on operations	-	3,320
Theatre tax relief	783,790	495,668
Other taxation and social security	-	1,484
Prepayments and accrued income	337	337
	<u>799,182</u>	<u>562,493</u>

There is a debtor of £783,790 (2018: £495,668) arising from Theatre Tax Relief introduced as part of the Finance Act 2014 and claimable as a Theatre Tax credit.

### 8 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	1,380	2,362
Amounts owed to parent undertaking	816,509	779,147
Other taxation and social security	527	3,700
Other creditors	34,918	32,146
Accruals and deferred income	26,411	17,282
	<u>879,745</u>	<u>834,637</u>

The amount owed to the parent undertaking is interest free and payable on demand.

**Leeds Playhouse (Enterprises) Limited**  
**Financial statements for the year ended 31 July 2019**

16

## Notes to the financial statements

### 9 Share capital

Authorised share capital:

	2019	2018
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

### 10 Ultimate controlling party

Leeds Theatre Trust Limited is the company's ultimate parent undertaking and controlling party. Leeds Playhouse (Enterprises) Limited operates the catering, front of house and trading activities on the premises of Leeds Theatre Trust Limited and provides production services to Leeds Theatre Trust Limited.

The only group of undertakings for which group accounts have been drawn up, of which Leeds Playhouse (Enterprises) Limited is a member, is that headed by Leeds Theatre Trust Limited. Copies of its financial statements are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

### 11 Related party transactions

Sarah Friskney, trustee, is employed as Senior Development Surveyor at Caddick Developments Ltd. Caddick Group PLC, the parent company of Caddick Developments Ltd paid £nil (2018: £12,000) in capital sponsorship to Leeds Playhouse (Enterprises) Limited, and Moda Living Limited, the sister company, paid £nil (2018: £12,000) in capital sponsorship to Leeds Playhouse (Enterprises) Limited during the year; Caddick Group PLC paid £nil (2018: £299) for catering. Alan Dix, trustee, is the Chair of Hull Truck Theatre Company Limited which paid Leeds Playhouse (Enterprises) Limited £nil (2018: £993) for costume hire.

### 12 Subsequent events

During March 2020, the outbreak of Covid-19 was announced as a global pandemic by the World Health Organisation and the Company has concluded that this is a non-adjusting post balance sheet event and as such the pandemic did not have any impact on the measurement of assets and liabilities as at 31 July 2019. The financial impact of this pandemic cannot be estimated at this time.

As part of the financial forecasting work referred to in "Going Concern" as set out in Note 1 to the financial statements, the Directors have considered the impact of the pandemic on the business, including on its working capital and the availability of cash.