

# **Delfont Mackintosh Theatres Limited**

Report and Financial Statements

Year Ended

31 March 2007

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**BDO Stoy Hayward**  
Chartered Accountants

# **Delfont Mackintosh Theatres Limited**

**Annual report and financial statements  
for the year ended 31 March 2007**

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## **Directors**

Sir Cameron Mackintosh  
N Allott  
R A Johnston  
P H Roberts

## **Secretary and registered office**

R T Knibb, 8 Baker Street, London, W1U 3LL

## **Company number**

2518625

## **Auditors**

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL

# **Delfont Mackintosh Theatres Limited**

## **Annual report and financial statements for the year ended 31 March 2007**

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The directors present their report together with the audited financial statements of the group for the year ended 31 March 2007

### **Principal activities and future developments**

The principal activity of the group continues to be the ownership, management, restoration and refurbishment of 7 theatres in London's West End

The group has had a successful year with Mary Poppins at the Prince Edward Theatre, Mamma Mia! at the Prince of Wales Theatre, Les Miserables at the Queens Theatre, Footloose followed by an RSC season at the Novello Theatre, Blackbird followed by Avenue Q at the Noel Coward Theatre, Honour, Sunday in the Park with George, A Voyage Round my Father then History Boys at the Wyndham's Theatre, and The Crucible, Canterbury Tales, Frost Nixon then Equus at the Gielgud Theatre

The group continues its theatre restoration and refurbishment programme, which it commenced in 2004/05. During the year major works were completed at the Noel Coward Theatre and commenced at the Wyndham's and Gielgud Theatres

On 31 March 2007 the business, assets and liabilities of the subsidiary companies, Prince Edward Theatre Limited and The Prince of Wales Theatre Limited, were transferred to Delfont Mackintosh Theatres Limited, the ultimate parent company

There have been no events since the balance sheet date, which affect the position of the group

### **Key performance indicators**

The Board drives business performance through the setting of clearly defined budgets from which it derives key performance indicators (KPI's) taking appropriate action where required to enhance the financial results of the business

The key areas of focus are

- Attendance figures and how they compare to budget
- Advance bookings and how they compare to budget
- Operating margins at each venue and how they compare to budget
- Overhead spend and how it compares to budget and prior year
- Debtors in absolute and debtor days, including trends

### **Principal risks and uncertainties**

The principal activity of the group, that of the management and operation of theatres London's West End, carries a degree of risk due to the fact that it relies to a large extent on the success or otherwise of the shows in its theatres and competition to attract and stage quality productions remains strong. The group is also sensitive to wider macro economic trends

# **Delfont Mackintosh Theatres Limited**

## **Report of the directors for the year ended 31 March 2007 (Continued)**

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### **Political and charitable donations**

During the year, the group made charitable contributions of £1,195 (2006 - £5,000)

### **Results and dividends**

The profit and loss account is set out on page 6 and shows the profit for the year

Turnover has increased during the year by £4,603,813, 34 2%, to £18,068,044 This is in part due the fact that this was the first full year trading which includes all 7 theatres coupled with a strong trading year

Profits before taxation have also increased by £2,958,362, 150%, to £4,935,951

The directors do not recommend the payment of a dividend

### **Employment of disabled persons**

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the company Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company

### **Employee involvement**

The group operates a policy of communicating with employees through a combination of meetings and electronic communication

### **Directors**

The directors of the company during the year unless otherwise stated were

Sir Cameron Mackintosh

N Allott

M A J Dalco (resigned 31 August 2007)

R A Johnston

P H Roberts (appointed 4 April 2007)

At 31 March 2007, no director had any interest in the shares of the company The interests of the directors in the share capital of the ultimate parent company, Cameron Mackintosh Limited, are disclosed in that company's financial statements

# **Delfont Mackintosh Theatres Limited**

## **Report of the directors for the year ended 31 March 2007 (Continued)**

### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 and of the profit or loss of the company for that year. 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, subject to any material departures disclosed and explained in the financial statements, and
- 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 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

### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### **By order of the Board**

R T Knibb



**Secretary**

Date

14/11/07

# **Delfont Mackintosh Theatres Limited**

## **Report of the Independent auditors**

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### **To the shareholders of Delfont Mackintosh Theatres Limited**

We have audited the group and parent company financial statements (the "financial statements") of Delfont Mackintosh Theatres Limited for the year ended 31 March 2007 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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.

# Delfont Mackintosh Theatres Limited

## Report of the independent auditors (*Continued*)

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### *Opinion*

#### In our opinion

- the group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 March 2007 and of its profit for the year then ended,
- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 31 March 2007,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**  
*Chartered Accountants  
and Registered Auditors*  
London

Date *14 NOVEMBER 2007*

# Delfont Mackintosh Theatres Limited

## Consolidated profit and loss account for the year ended 31 March 2007

	Note	2007 £	2006 £
<b>Turnover</b>		<b>18,068,044</b>	13,437,231
Cost of sales		<b>2,571,504</b>	1,789,632
<b>Gross profit</b>		<b>15,496,540</b>	11,647,599
Administrative expenses		<b>9,712,946</b>	8,885,930
<b>Operating profit</b>	4	<b>5,783,594</b>	2,761,669
Interest receivable	5	<b>171,986</b>	225,079
Interest payable	6	<b>1,019,629</b>	1,009,159
<b>Profit on ordinary activities before taxation</b>		<b>4,935,951</b>	1,977,589
Taxation on profit on ordinary activities	7	<b>1,780,471</b>	854,420
<b>Profit on ordinary activities after taxation for the financial year</b>	17	<b>3,155,480</b>	1,123,169

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 10 to 21 form part of these financial statements



# Delfont Mackintosh Theatres Limited

## Consolidated balance sheet at 31 March 2007

	Note	2007 £	2007 £	2006 £	2006 £
<b>Fixed assets</b>					
Tangible assets	9		63,030,989		60,710,652
<b>Current assets</b>					
Stock	11	65,625		68,476	
Debtors	12	4,456,316		4,464,818	
Cash at bank and in hand		5,257,596		2,455,818	
		9,779,537		6,989,112	
<b>Creditors amounts falling due within one year</b>	13	11,463,533		9,875,717	
<b>Net current liabilities</b>			(1,683,996)		(2,886,605)
<b>Total assets less current liabilities</b>			61,346,993		57,824,047
<b>Creditors amounts falling due after more than one year</b>	14		17,176,160		17,176,160
<b>Provision for liabilities and charges</b>	15		1,417,725		1,050,259
			42,753,108		39,597,628
<b>Capital and reserves</b>					
Called up share capital	16		122,002		122,002
Share premium account			19,980,000		19,980,000
Profit and loss account			22,651,106		19,495,626
<b>Shareholders' funds</b>	17		42,753,108		39,597,628

The financial statements were approved by the Board of Directors and authorised for issue on

14/11/07

  
R A Johnston  
Director

The notes on pages 10 to 21 form part of these financial statements

# Delfont Mackintosh Theatres Limited

## Company balance sheet at 31 March 2007

	Note	2007 £	2007 £	2006 £	2006 £
<b>Fixed assets</b>					
Tangible assets	9		63,030,989		28,838,877
Investments	10		20,000,000		20,000,000
			<hr/>		<hr/>
			83,030,989		48,838,877
<b>Current assets</b>					
Stocks	11	65,625		42,411	
Debtors	12	4,456,316		11,267,764	
Cash at bank and in hand		5,257,596		7,066,824	
		<hr/>		<hr/>	
		9,779,537		18,376,999	
<b>Creditors' amounts falling due within one year</b>	13	11,463,533		31,805,173	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			(1,683,996)		(13,428,174)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			81,346,993		35,410,703
<b>Creditors' amounts falling due after more than one year</b>	14		56,387,900		17,176,160
<b>Provisions for liabilities and charges</b>	15		1,417,725		195,650
			<hr/>		<hr/>
			23,541,368		18,038,893
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	16	122,002		122,002	
Share premium account		19,980,000		19,980,000	
Profit and loss account		3,439,366		(2,063,109)	
		<hr/>		<hr/>	
<b>Shareholders' funds</b>	17		23,541,368		18,038,893
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on

14/11/07

  
R A Johnston  
Director

The notes on pages 10 to 21 form part of these financial statements

# Delfont Mackintosh Theatres Limited

## Consolidated cash flow statement for the year ended 31 March 2007

	Note	2007 £	2006 £
<b>Cash flow from operating activities</b>	21	6,559,887	1,121,365
Taxation (paid)/received		(676,112)	447,587
Capital expenditure and financial investment	22	(2,234,354)	(5,740,115)
<b>Cash inflow/(outflow) before management of liquid resources and financing</b>		<b>3,649,421</b>	<b>(4,171,163)</b>
Management of liquid resources	22	(4,250,000)	4,750,000
Financing	22	(847,643)	(784,080)
<b>Decrease in cash in the year</b>		<b>(1,448,222)</b>	<b>(205,243)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Decrease in cash in the year		(1,448,222)	(205,243)
Cash outflow/(inflow) from movement in liquid resources		4,250,000	(4,750,000)
<b>Movement in net debt in the year arising from cash flows</b>		<b>2,801,778</b>	<b>(4,955,243)</b>
Net debt at start of year		(14,720,342)	(9,765,099)
<b>Net debt at end of year</b>	23	<b>(11,918,564)</b>	<b>(14,720,342)</b>

The notes on pages 10 to 21 form part of these financial statements

# **Delfont Mackintosh Theatres Limited**

## **Notes forming part of the financial statements for the year ended 31 March 2007**

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### **1 Accounting policies**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied.

#### *Basis of consolidation*

The consolidated financial statements incorporated in the financial statements of the company and its subsidiaries for the financial year which ended on 31 March 2007. As provided by Section 230 of the Companies Act 1985, a separate profit and loss account is not presented for Delfont Mackintosh Theatres Limited. The retained profit for the financial year for the company is shown in note 15 to the financial statements.

#### *Turnover*

Turnover represents income derived in the United Kingdom from the group's share of box office receipts, the sale of liquor and other goods to theatre patrons, rent receivable, royalties and sundry income, excluding value added tax.

Turnover includes operating lease income from the rental of its theatres. The rental income is recognised on a straight line basis over the period of the lease.

#### *Depreciation*

Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their estimated useful lives as follows:

Freehold buildings	-	1% per annum
Plant and machinery, fixtures, fittings, tools and equipment	-	5%-33% per annum

Freehold buildings, which represents the fabric of the building, is being depreciated at a rate of 1% per annum, which in the opinion of the directors is a fair reflection of the wear and tear to the building.

Long leasehold property is depreciated over the term of the lease.

Assets under construction are not depreciated until they are completed and brought into use.

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Stocks*

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

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax balances are not discounted.

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2007 (*Continued*)

## 1 Accounting policies (*Continued*)

### *Liquid resources*

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits

### *Pension costs*

The company is a member of The Delfont Mackintosh Group Personal Pension Scheme. Contributions are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

### *Cash*

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand less overdrafts payable on demand.

### *Leased assets lessor*

Where assets are leased to a third party that do not transfer rights approximating to ownership the arrangements are treated as operating leases. These annual rentals are charged to the profit and loss account as income on a straight-line basis over the term of the lease.

### *Leased assets Lessee*

Where assets are financed by leasing agreements that do not transfer rights approximately to ownership the arrangements are treated as operating leases. These annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

## 2 Employees

	2007 £	2006 £
Staff costs consist of		
Wages and salaries	9,073,878	6,584,893
Social security costs	886,056	689,283
Staff welfare and pension costs	281,006	392,658
	<hr/>	<hr/>
	10,240,940	7,666,834
	<hr/>	<hr/>

The above costs have been charged to the profit and loss account in arriving at the trading profit for the year and include directors' emoluments. They include payroll costs amounting to £6,238,248 (2006 - £4,473,640) borne by visiting production companies.

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2007 *(Continued)*

## 2 Employees *(Continued)*

	2007 Number	2006 Number
The average number of employees, including directors, during the year was		
Theatre management and technical staff	401	303
Administration	26	16
	<u>427</u>	<u>319</u>

## 3 Directors

	2007 £	2006 £
Directors' emoluments (excluding pension contributions)	<u>291,871</u>	<u>340,983</u>

Emoluments of the highest paid director (excluding pension contributions) amounted to £291,871

The aggregate company contributions towards defined contribution pension schemes for directors was £50,760 (2006 - £50,760)

No directors are accruing benefits under defined contribution schemes

## 4 Operating profit

	2007 £	2006 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	1,414,017	1,275,608
Hire of plant and machinery	99,776	66,531
Auditors' remuneration and expenses		
- audit services	34,628	45,500
- tax services	22,400	22,928
Aggregate rentals receivable under operating leases	(288,505)	(451,201)
Hire of other assets - operating leases	<u>68,200</u>	<u>68,200</u>

The group pay's the audit fees for its subsidiary companies, Prince Edward Theatre Limited £10,000 and Prince of Wales Theatre Limited £10,000

## 5 Interest receivable

	2007 £	2006 £
Bank interest receivable	<u>171,986</u>	<u>225,079</u>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2007 (*Continued*)

## 6 Interest payable

	2007 £	2006 £
Interest payable to parent company	1,019,629	1,009,159

## 7 Taxation

	2007 £	2006 £
UK corporation tax	1,424,237	519,669
Overprovision in prior years	(11,232)	(178,415)
Total current tax charge	1,413,005	341,254
Deferred tax charge	367,466	513,166
	1,780,471	854,420

The tax assessed for the year is lower (2006 - lower) than the standard rate of corporation tax in the UK  
The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	4,935,951	1,977,589
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2006 - 30%)	1,480,785	593,277
Effects of		
Expenses not deductible for tax purposes	328,354	446,316
Capital allowances in excess of depreciation	(392,605)	(516,257)
Impaired interest payable to parent	(10,367)	-
Short term timing differences	18,070	-
Adjustment to tax charge in respect of previous years	(11,232)	(178,415)
Difference in tax rates	-	(3,667)
Current tax charge for year	1,413,005	341,254

## 8 Profit for the financial year

The company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a profit after tax of £5,502,475 (2006 - £3,961,109 loss after tax) which is dealt with in the financial statements of the parent company.

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2007 (*Continued*)

## 9 Tangible assets

Group	Long leasehold land and buildings £	Freehold land and buildings £	Plant and machinery, fixtures fittings, tools and equipment £	Assets under construction £	Total £
<i>Cost</i>					
At 1 April 2006	21,578,801	28,049,206	15,628,816	-	65,256,823
Additions	533,420	270,237	1,430,697	-	2,234,354
Transfer	-	-	-	2,134,575	2,134,575
At 31 March 2007	<b>22,112,221</b>	<b>28,319,443</b>	<b>17,059,513</b>	<b>2,134,575</b>	<b>69,625,752</b>
<i>Depreciation</i>					
At 1 April 2006	161,359	407,728	3,977,084	-	4,546,171
Charge for year	167,583	234,095	1,012,339	-	1,414,017
Impairment	-	-	-	634,575	634,575
At 31 March 2007	<b>328,942</b>	<b>641,823</b>	<b>4,989,423</b>	<b>634,575</b>	<b>6,594,763</b>
<i>Net book value</i>					
At 31 March 2007	<b>21,783,279</b>	<b>27,677,620</b>	<b>12,070,090</b>	<b>1,500,000</b>	<b>63,030,989</b>
At 31 March 2006	21,417,442	27,641,478	11,651,732	-	60,710,652



# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2007 *(Continued)*

## 9 Tangible assets *(Continued)*

Company	Long leasehold land and buildings £	Freehold land and buildings £	Plant and machinery, fixtures fittings, tools and equipment £	Assets under construction £	Total £
<i>Cost</i>					
At 1 April 2006	21,578,801	3,467,685	5,055,408	-	30,101,894
Additions	533,420	250,810	1,296,663	-	2,080,893
Transfer from subsidiaries	-	24,600,948	10,707,442	-	35,308,390
Transfer	-	-	-	2,134,575	2,134,575
At 31 March 2007	<b>22,112,221</b>	<b>28,319,443</b>	<b>17,059,513</b>	<b>2,134,575</b>	<b>69,625,752</b>
<i>Depreciation</i>					
At 1 April 2006	161,359	57,330	1,044,328	-	1,263,017
Charge for year	167,583	58,086	556,410	-	782,079
Transfer from subsidiaries	-	526,407	3,388,685	-	3,915,092
Impairment	-	-	-	634,575	634,575
At 31 March 2007	<b>328,942</b>	<b>641,823</b>	<b>4,989,423</b>	<b>634,575</b>	<b>6,594,763</b>
<i>Net book value</i>					
At 31 March 2007	<b>21,783,279</b>	<b>27,677,620</b>	<b>12,070,090</b>	<b>1,500,000</b>	<b>63,030,989</b>
At 31 March 2006	21,417,442	3,410,355	4,011,080	-	28,838,877

Certain of the company's long leasehold and freehold land and buildings are currently leased under operating leases which existed at the date of acquisition

## 10 Fixed assets investments

£

### Company

#### *Cost*

At 31 March 2006 and 31 March 2007

**20,000,000**

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2007 (Continued)

## 10 Fixed asset investments (Continued)

In the opinion of the directors the aggregate value of the company's interests in subsidiary companies is not less than the aggregate of the amounts at which they are included in the balance sheet

Company	Description shares held	Proportion of normal value of issued share held	Nature of business
The Prince of Wales Theatre Limited	Ordinary	100%	Theatre management and operation
Prince Edward Theatre Limited	Ordinary	100%	Theatre management and operation

The above companies, which are included in the consolidated financial statements, are incorporated in Great Britain and registered in England and Wales and trade in the United Kingdom

## 11 Stocks

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Goods for resale	65,625	68,476	65,625	42,411

There is no material difference between the replacement cost of stocks and the amounts stated above

## 12 Debtors

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Trade debtors	3,061,916	2,899,540	3,061,916	1,362,725
Other debtors	44,885	21,897	44,885	18,552
Prepayments and accrued income	1,349,515	1,041,582	1,349,515	1,000,895
VAT recoverable	-	417,550	-	417,550
Amounts owed from subsidiary undertaking	-	-	-	8,253,928
Corporation tax recoverable	-	84,249	-	214,114
	<b>4,456,316</b>	<b>4,464,818</b>	<b>4,456,316</b>	<b>11,267,764</b>

All amounts fall due for payment within one year

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2007 (*Continued*)

## 13 Creditors. amounts falling due within one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank overdraft	-	-	-	21,550,587
Trade creditors	673,247	975,695	673,247	283,752
Amounts due to subsidiary undertakings	-	-	-	6,986,256
Amounts owed to ultimate parent company	456,104	1,306,192	456,104	1,306,192
Other creditors including taxation and social security	2,126,962	1,044,219	2,126,962	472,553
Accruals and deferred income	7,554,576	6,549,611	7,554,576	1,205,833
Corporation tax payable	652,644	-	652,644	-
	<b>11,463,533</b>	<b>9,875,717</b>	<b>11,463,533</b>	<b>31,805,173</b>

## 14 Creditors. amounts falling due after more than one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Amounts owed to subsidiary undertakings	-	-	39,211,740	-
Amounts owed to ultimate parent company	17,176,160	17,176,160	17,176,160	17,176,160
	<b>17,176,160</b>	<b>17,176,160</b>	<b>56,387,900</b>	<b>17,176,160</b>

The amounts owed are repayable as follows

	Subsidiary undertakings 2007 £	Subsidiary undertakings 2006 £	Ultimate parent company 2007 £	Ultimate parent company 2006 £
In more than 1 year but not more than 2 years	-	-	500,000	500,000
In more than 2 years but not more than 5 years	-	-	2,000,000	2,000,000
In more than 5 years	39,211,740	-	14,676,160	14,676,160
	<b>39,211,740</b>	<b>-</b>	<b>17,176,160</b>	<b>17,176,160</b>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2007 (*Continued*)

## 15 Provision for liabilities and charges

	Group Deferred taxation £	Company Deferred taxation £
At 1 April 2006	1,050,259	195,650
Charge to profit and loss account	367,466	168,042
Transfer from subsidiaries	-	1,054,033
	<hr/>	<hr/>
At 31 March 2007	1,417,725	1,417,725
	<hr/>	<hr/>

	Group 2007 £	Deferred taxation Group 2006 £	Company 2007 £	Company 2006 £
Tax losses	(6,159)	(6,159)	(6,159)	(6,159)
Accelerated capital allowances	1,441,954	1,056,418	1,441,954	201,809
Short term timing differences	(18,070)	-	(18,070)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,417,725	1,050,259	1,417,725	195,650
	<hr/>	<hr/>	<hr/>	<hr/>

## 16 Called up share capital

	2007 £	2006 £
<i>Authorised, allotted, called up and fully paid</i>		
122,002 (2006 – 122,002) ordinary shares of £1 each	122,002	122,002
	<hr/>	<hr/>

## 17 Reconciliation of movements in shareholders' funds

	Group £	Company £
Opening shareholders' funds	39,597,628	18,038,893
Profit for the financial year	3,155,480	5,502,475
	<hr/>	<hr/>
Closing shareholders' funds	42,753,108	23,541,368
	<hr/>	<hr/>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2007 (*Continued*)

## 18 Pension contributions

The Group is a member of the Delfont Mackintosh Group Personal Pension Scheme

There were no pension contributions outstanding at the year end

## 19 Contingent liabilities

The company is part of a group banking facility with its subsidiary undertakings, Prince Edward Theatre Limited and The Prince of Wales Theatre Limited whereby each company cross guarantees the other group companies' loans and overdrafts. At 31 March 2007, this contingent liability amounted to £Nil (2006 - £14,483,763)

Under a group registration the company is jointly and severally liable for value added tax due by certain other group companies. At 31 March 2007, this contingent liability amounted to £Nil (2006 - £316,522)

## 20 Commitments under operating leases

As at 31 March 2007, the group had annual commitments under non-cancellable operating leases as set out below

	2007 Land and buildings £	2006 Land and buildings £
Operating leases which expire		
After five years	68,200	68,200

## 21 Reconciliation of operating profit to operating cash inflows

	2007 £	2006 £
Operating profit	5,783,594	2,761,669
Depreciation charge	1,414,017	1,275,608
Decrease/(increase) in stocks	2,851	7,354
(Increase)/decrease in debtors	(75,747)	1,877,892
(Decrease)/increase in creditors	935,172	(4,801,158)
Non-cash fixed asset transfer	(1,500,000)	-
Net cash inflow from operating activities	6,559,887	1,121,365

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2007 *(Continued)*

## 22 Analysis of cash flows

	2007 £	2006 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,234,354)	(5,740,115)
Management of liquid resources		
Sale of treasury deposit	-	4,750,000
Purchase of treasury deposit	(4,250,000)	-
Financing		
Interest receivable	171,986	225,079
Interest payable on long term loans	(1,019,629)	(1,009,159)
	(847,643)	(784,080)

## 23 Analysis of net debt

	At 1 April 2006 £	Cash flows £	At 31 March 2007 £
Cash in hand and at bank	455,818	(1,448,222)	(992,404)
Liquid resources – treasury deposit	2,000,000	4,250,000	6,250,000
Amounts due to ultimate parent company	(17,176,160)	-	(17,176,160)
Total	(14,720,342)	2,801,778	(11,918,564)

## 24 Ultimate controlling party

The company's ultimate parent company is Cameron Mackintosh Limited. The company's ultimate controlling party is Sir Cameron Mackintosh.

The smallest and largest group in which the results of the company are consolidated is headed by Cameron Mackintosh Limited, incorporated in Great Britain and registered in England and Wales.

## **Delfont Mackintosh Theatres Limited**

**Notes forming part of the financial statements  
for the year ended 31 March 2007 (*Continued*)**

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### **25 Related party transactions**

As the company is a wholly owned subsidiary of Cameron Mackintosh Limited, the company has taken advantage of the exemptions contained in Financial Reporting Standard No 8 and has therefore not disclosed transactions or balances with entities which form part of the group headed by Cameron Mackintosh Limited

During the year rental charges of £68,200 (2006 - £68,200) were paid to Sir Cameron Mackintosh, the ultimate controlling party by the company in respect of rent due for the Queens and Gielgud Theatre

During the year, purchases of £178,434 were made on normal trading terms from Mackintosh Catering, a business in which N Mackintosh, Sir Cameron Mackintosh's brother, has a controlling interest

At 31 March 2007, £5,104 was owed to this company