

## **Delfont Mackintosh Theatres Limited**

Report and Financial Statements

Year Ended

31 March 2008



**BDO Stoy Hayward**  
Chartered Accountants

# **Delfont Mackintosh Theatres Limited**

## **Annual report and financial statements for the year ended 31 March 2008**

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### **Contents**

#### **Page:**

1	Report of the directors
4	Report of the independent auditors
6	Consolidated profit and loss account
7	Consolidated balance sheet
8	Company balance sheet
9	Consolidated cash flow statement
10	Notes forming part of the financial statements

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### **Directors**

Sir Cameron Mackintosh  
N Allott  
R A Johnston  
P H Roberts

### **Secretary and registered office**

R T Knibb, 1 Bedford Square, London, WC1B 3RB.

### **Company number**

2518625

### **Auditors**

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU.

# **Delfont Mackintosh Theatres Limited**

## **Annual report and financial statements for the year ended 31 March 2008**

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The directors present their report together with the audited financial statements of the group for the year ended 31 March 2008.

### **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 followed by Jersey Boys at the Prince Edward Theatre, Mamma Mia! at the Prince of Wales Theatre; Les Miserables at the Queens Theatre, The Drowsy Chaperone, Desperately Seeking Susan, Shadowlands then Into the Hoods at the Novello Theatre; Avenue Q at the Noel Coward Theatre; History Boys, The Letter, Shadowlands then a return of History Boys at the Wyndham's Theatre; and Equus, Macbeth, Nicholas Nickleby then God of Carnage 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 Gielgud Theatre and works continued at the Wyndham's Theatre.

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.

### **Financial instruments**

The main financial risks arising from the group's activities are credit risk, interest rate risk and liquidity risk. The directors monitor these risks on an ongoing basis and do not consider them to be significant.

The group's risk in respect of credit risk is to only deal with established reputable companies. The board does not consider this to be a significant risk.

The group does not consider interest rate risk to be significant. The group holds its cash reserves in a mixture of short term deposits and current accounts which earn interest at a floating rate.

The working capital requirements of the group are funded principally out of the group's cash reserves.

# **Delfont Mackintosh Theatres Limited**

## **Report of the directors for the year ended 31 March 2008 (Continued)**

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### **Political and charitable donations**

During the year, the group made charitable contributions of £10,000 (2007 - £1,195).

### **Results and dividends**

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

Turnover has decreased during the year by £869,203, 4.8%, to £17,198,841 (2007 - £18,068,044). This is in part due to the lengthy closure of the Gielgud Theatre for refurbishment.

Profits before taxation have decreased by £1,373,063, 27.8% to £3,562,888 (2007 - £4,935,951) as a result of an exceptional charge in relation to the ongoing theatre refurbishment programme.

The directors do not recommend the payment of a dividend (2007 - £Nil).

### **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)

# **Delfont Mackintosh Theatres Limited**

## **Report of the directors for the year ended 31 March 2008 (Continued)**

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### **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; and
- 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

9/12/08

# **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 2008 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 2008 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 2008;
- 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 *1 December 2008.*

# Delfont Mackintosh Theatres Limited

## Consolidated profit and loss account for the year ended 31 March 2008

	Note	2008 £	2007 £
<b>Turnover</b>	2	17,198,841	18,068,044
Cost of sales		2,290,414	2,571,504
<b>Gross profit</b>		14,908,427	15,496,540
Administrative expenses		10,602,804	9,712,946
<b>Operating profit</b>	5	4,305,623	5,783,594
Interest receivable	6	419,951	171,986
Interest payable	7	1,162,685	1,019,629
<b>Profit on ordinary activities before taxation</b>		3,562,889	4,935,951
Taxation on profit on ordinary activities	8	1,550,866	1,780,471
<b>Profit on ordinary activities after taxation for the financial year</b>	18,19	2,012,023	3,155,480

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 2008

	Note	2008 £	2008 £	2007 £	2007 £
<b>Fixed assets</b>					
Tangible assets	10		63,578,195		63,030,989
<b>Current assets</b>					
Stock	12	77,679		65,625	
Debtors	13	3,963,600		4,456,316	
Cash at bank and in hand		9,642,084		5,257,596	
		13,683,363		9,779,537	
<b>Creditors: amounts falling due within one year</b>	14	14,626,138		11,463,533	
<b>Net current liabilities</b>			(942,775)		(1,683,996)
<b>Total assets less current liabilities</b>			62,635,420		61,346,993
<b>Creditors: amounts falling due after more than one year</b>	15		16,176,160		17,176,160
<b>Provision for liabilities and charges</b>	16		1,694,129		1,417,725
			44,765,131		42,753,108
<b>Capital and reserves</b>					
Called up share capital	17		122,002		122,002
Share premium account	18		19,980,000		19,980,000
Profit and loss account	18		24,663,129		22,651,106
<b>Shareholders' funds</b>	19		44,765,131		42,753,108

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

9/12/08

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 2008

	Note	2008 £	2008 £	2007 £	2007 £
<b>Fixed assets</b>					
Tangible assets	10		63,578,195		63,030,989
Investments	11		20,000,000		20,000,000
			<u>83,578,195</u>		<u>83,030,989</u>
<b>Current assets</b>					
Stocks	12	77,679		65,625	
Debtors	13	3,963,600		4,456,316	
Cash at bank and in hand		9,642,084		5,257,596	
		<u>13,683,363</u>		<u>9,779,537</u>	
<b>Creditors: amounts falling due within one year</b>	14	14,626,138		11,463,533	
<b>Net current liabilities</b>			<u>(942,775)</u>		<u>(1,683,996)</u>
<b>Total assets less current liabilities</b>			<u>82,635,420</u>		<u>81,346,993</u>
<b>Creditors: amounts falling due after more than one year</b>	15		36,176,160		56,387,900
<b>Provisions for liabilities and charges</b>	16		1,694,129		1,417,725
			<u>44,765,131</u>		<u>23,541,368</u>
<b>Capital and reserves</b>					
Called up share capital	17		122,002		122,002
Share premium account	18		19,980,000		19,980,000
Profit and loss account	18		24,663,129		3,439,366
<b>Shareholders' funds</b>	19		<u>44,765,131</u>		<u>23,541,368</u>

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

9/12/08

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 2008

	Note	2008 £	2007 £
<b>Cash flow from operating activities</b>	22	10,017,357	6,559,887
Taxation paid		(1,348,719)	(676,112)
Capital expenditure and financial investment	23	(3,541,416)	(2,234,354)
<b>Cash inflow before management of liquid resources and financing</b>		5,127,222	3,649,421
Management of liquid resources	23	(2,750,000)	(4,250,000)
Financing	23	(742,734)	(847,643)
<b>Increase/(decrease) in cash in the year</b>		1,634,488	(1,448,222)
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the year		1,634,488	(1,448,222)
Cash outflow from movement in liquid resources		2,750,000	4,250,000
<b>Movement in net debt in the year arising from cash flows</b>		4,384,488	2,801,778
Net debt at start of year		(11,918,564)	(14,720,342)
<b>Net debt at end of year</b>	24	(7,534,076)	(11,918,564)

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 2008

### 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 2008. 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 18 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.

Freehold land is not depreciated.

Long leasehold land and buildings 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.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 2008 (Continued)**

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## **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 which is a defined contribution 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. These have been offset under a legal right of set off granted by the company's bankers.

### *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 Turnover**

All turnover is generated in the UK from the group's principal activity.

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2008 *(Continued)*

## 3 Employees

	Group 2008 £	Group 2007 £
Staff costs consist of:		
Wages and salaries	8,575,436	9,073,878
Social security costs	907,207	886,056
Staff welfare and pension costs	130,285	281,006
	<u>9,612,928</u>	<u>10,240,940</u>

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 £6,165,899 (2007 - £6,238,248) borne by visiting production companies.

	Group 2008 Number	Group 2007 Number
The average number of employees, including directors, during the year was:		
Theatre management and technical staff	404	401
Administration	31	26
	<u>435</u>	<u>427</u>

## 4 Directors

	Group 2008 £	Group 2007 £
Directors' emoluments (excluding pension contributions)	317,082	259,693

Emoluments of the highest paid director (excluding pension contributions) amounted to £317,082.

The aggregate company contributions towards defined contribution pension schemes for directors was £50,760 (2007 - £50,760).

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2008 *(Continued)*

## 5 Operating profit

	Group 2008 £	Group 2007 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	1,494,210	1,414,017
Hire of plant and machinery	105,450	99,776
Auditors' remuneration and expenses		
- audit services	43,027	34,628
- tax services	20,470	22,400
Aggregate rentals receivable under operating leases	(604,620)	(288,505)
Hire of other assets - operating leases	68,200	68,200
Impairment of fixed assets	-	634,575
Transfer from tangible fixed assets to profit and loss account of assets under construction	1,500,000	-
	<hr/>	<hr/>

## 6 Interest receivable

	Group 2008 £	Group 2007 £
Bank interest receivable	408,762	171,986
Interest on tax	11,189	-
	<hr/>	<hr/>
	419,951	171,986
	<hr/>	<hr/>

## 7 Interest payable

	Group 2008 £	Group 2007 £
Interest payable to parent company	1,162,685	1,019,629
	<hr/>	<hr/>

## 8 Taxation

	Group 2008 £	Group 2007 £
UK corporation tax	1,258,387	1,424,237
Under/(over)provision in prior years	16,075	(11,232)
	<hr/>	<hr/>
Total current tax charge	1,274,462	1,413,005
Deferred tax charge	276,404	367,466
	<hr/>	<hr/>
	1,550,866	1,780,471
	<hr/>	<hr/>

# Delfont Mackintosh Theatres Limited

## Notes forming part of the financial statements for the year ended 31 March 2008 *(Continued)*

### 8 Taxation *(Continued)*

The tax assessed for the year is lower (2007 - lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	Group 2008 £	Group 2007 £
Profit on ordinary activities before tax	3,562,889	4,935,951
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2007 – 30%)	1,068,866	1,480,785
Effects of:		
Expenses not deductible for tax purposes	598,885	328,354
Capital allowances in excess of depreciation	(410,510)	(392,605)
Impaired interest payable to parent	-	(10,367)
Short term timing differences	-	18,070
Adjustment to tax charge in respect of previous years	16,075	(11,232)
Tax losses brought forward utilised	(6,159)	-
Movement in provisions	7,305	-
Current tax charge for year	1,274,462	1,413,005

### 9 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 £21,223,763 (2007 - £5,502,475 profit 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 2008 (*Continued*)

## 10 Tangible assets

Group and 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 2007	22,112,221	28,319,443	17,059,513	2,134,575	69,625,752
Additions	665,842	155,527	2,720,047	-	3,541,416
Transfer to profit and loss account	-	-	-	(2,134,575)	(2,134,575)
At 31 March 2008	<b>22,778,063</b>	<b>28,474,970</b>	<b>19,779,560</b>	<b>-</b>	<b>71,032,593</b>
<i>Depreciation</i>					
At 1 April 2007	328,942	641,823	4,989,423	634,575	6,594,763
Charge for year	175,319	243,701	1,075,190	-	1,494,210
Transfer to profit and loss account	-	-	-	(634,575)	(634,575)
At 31 March 2008	<b>504,261</b>	<b>885,524</b>	<b>6,064,613</b>	<b>-</b>	<b>7,454,398</b>
<i>Net book value</i>					
At 31 March 2008	<b>22,273,802</b>	<b>27,589,446</b>	<b>13,714,947</b>	<b>-</b>	<b>63,578,195</b>
At 31 March 2007	21,783,279	27,677,620	12,070,090	1,500,000	63,030,989

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.

## 11 Fixed assets investments

£

### Company

#### *Cost*

At 31 March 2007 and 31 March 2008

**20,000,000**

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2008 *(Continued)*

## 11 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%	Dormant
Prince Edward Theatre Limited	Ordinary	100%	Dormant

The above companies, which are included in the consolidated financial statements, are incorporated and registered in England.

## 12 Stocks

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Goods for resale	77,679	65,625	77,679	65,625

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

## 13 Debtors

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Trade debtors	2,702,668	3,061,916	2,702,668	3,061,916
Other debtors	47,188	44,885	47,188	44,885
Prepayments and accrued income	1,213,744	1,349,515	1,213,744	1,349,515
	<u>3,963,600</u>	<u>4,456,316</u>	<u>3,963,600</u>	<u>4,456,316</u>

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 2008 (*Continued*)

## 14 Creditors: amounts falling due within one year

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Trade creditors	1,227,875	673,247	1,227,875	673,247
Amounts due to ultimate parent company				
- intercompany account	498,125	456,104	498,125	456,104
- current element of loan	1,000,000	-	1,000,000	-
Other creditors including taxation and social security	1,834,127	2,126,962	1,834,127	2,126,962
Accruals and deferred income	9,487,624	7,554,576	9,487,624	7,554,576
Corporation tax payable	578,387	652,644	578,387	652,644
	<b>14,626,138</b>	<b>11,463,533</b>	<b>14,626,138</b>	<b>11,463,533</b>

## 15 Creditors: amounts falling due after more than one year

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Amounts owed to subsidiary undertakings	-	-	20,000,000	39,211,740
Amounts owed to ultimate parent company - long term element of loan	16,176,160	17,176,160	16,176,160	17,176,160
	<b>16,176,160</b>	<b>17,176,160</b>	<b>36,176,160</b>	<b>56,387,900</b>

The amounts owed are repayable as follows:

	Group and Company		Company	
	Ultimate parent company 2008 £	Ultimate parent company 2007 £	Subsidiary undertakings 2008 £	Subsidiary undertakings 2007 £
In more than 1 year but not more than 2 years	1,000,000	500,000	-	-
In more than 2 years but not more than 5 years	4,000,000	2,000,000	-	-
In more than 5 years	11,176,160	14,676,160	20,000,000	39,211,740
	<b>16,176,160</b>	<b>17,176,160</b>	<b>20,000,000</b>	<b>39,211,740</b>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2008 (*Continued*)

## 16 Provision for liabilities and charges

			Group Deferred taxation £	Company Deferred taxation £
At 1 April 2007			1,417,725	1,417,725
Charge to profit and loss account			276,404	276,404
			<hr/>	<hr/>
At 31 March 2008			1,694,129	1,694,129
			<hr/>	<hr/>
	Group 2008 £	Deferred taxation Group 2007 £	Company 2008 £	Company 2007 £
Tax losses	-	(6,159)	-	(6,159)
Accelerated capital allowances	1,729,835	1,441,954	1,729,835	1,441,954
Short term timing differences	(35,706)	(18,070)	(35,706)	(18,070)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,694,129	1,417,725	1,694,129	1,417,725
	<hr/>	<hr/>	<hr/>	<hr/>

## 17 Called up share capital

	2008 £	2007 £
<i>Authorised, allotted, called up and fully paid</i>		
122,002 (2007 – 122,002) ordinary shares of £1 each	122,002	122,002
	<hr/>	<hr/>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2008 *(Continued)*

## 18 Reserves

	Share premium account £	Profit and loss account £
<b>Group</b>		
At 1 April 2007	19,980,000	22,651,106
Profit for the year	-	2,012,023
	<hr/>	<hr/>
At 31 March 2008	<b>19,980,000</b>	<b>24,663,129</b>
	<hr/>	<hr/>
<b>Company</b>		
At 1 April 2007	19,980,000	3,439,366
Profit for the year	-	21,223,763
	<hr/>	<hr/>
At 31 March 2008	<b>19,980,000</b>	<b>24,663,129</b>
	<hr/>	<hr/>

## 19 Reconciliation of movements in shareholders' funds

	Group £	Company £
Opening shareholders' funds	42,753,108	23,541,368
Profit for the financial year	2,012,023	21,223,763
	<hr/>	<hr/>
Closing shareholders' funds	<b>44,765,131</b>	44,765,131
	<hr/>	<hr/>

## 20 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 (2007 - £Nil).

## 21 Commitments under operating leases

As at 31 March 2008, the group had annual commitments under non-cancellable operating leases as set out below:

	2008 Land and buildings £	2007 Land and buildings £
Operating leases which expire:		
After five years	68,200	68,200
	<hr/>	<hr/>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 31 March 2008 *(Continued)*

## 22 Reconciliation of operating profit to operating cash inflows

	2008 £	2007 £
Operating profit	4,305,623	5,783,594
Depreciation charge	1,494,210	1,414,017
Transfer from tangible fixed assets to profit and loss account of assets under construction	1,500,000	-
(Increase)/decrease in stocks	(12,054)	2,851
Increase in debtors	492,715	(75,747)
Decrease in creditors	2,236,863	935,172
Non-cash fixed asset transfer	-	(1,500,000)
	<hr/>	<hr/>
Net cash inflow from operating activities	10,017,357	6,559,887
	<hr/>	<hr/>

## 23 Analysis of cash flows

	2008 £	2007 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(3,541,416)	(2,234,354)
	<hr/>	<hr/>
Management of liquid resources		
Purchase of treasury deposit	(2,750,000)	(4,250,000)
	<hr/>	<hr/>
Financing		
Interest receivable	419,951	171,986
Interest payable on long term loans	(1,162,685)	(1,019,629)
	<hr/>	<hr/>
	(742,734)	(847,643)
	<hr/>	<hr/>

## 24 Analysis of net debt

	At 1 April 2007 £	Cash flows £	Non cash adjustments £	At 31 March 2008 £
Cash in hand and at bank	(992,404)	1,634,488	-	642,084
Liquid resources – treasury deposit	6,250,000	2,750,000	-	9,000,000
Amounts due to ultimate parent company				
- current element of loan	-	-	(1,000,000)	(1,000,000)
- long term element of loan	(17,176,160)	-	1,000,000	(16,176,160)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(11,918,564)	4,384,488	-	(7,534,076)
	<hr/>	<hr/>	<hr/>	<hr/>

# **Delfont Mackintosh Theatres Limited**

## **Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)**

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### **25 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 and registered in England.

### **26 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 (2007 - £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 £112,803 (2007 - £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 2008, £6,967 (2007 - £5,104) was owed to Mackintosh Catering.