

# **Delfont Mackintosh Theatres Limited**

Report and Financial Statements

52 Weeks Ended

30 March 2014

Company Number 2518625

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# **Delfont Mackintosh Theatres Limited**

## **Report and financial statements for the 52 weeks ended 30 March 2014**

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### **Directors**

Sir Cameron Mackintosh  
N Allott  
R A Johnston

### **Secretary and registered office**

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

### **Company number**

2518625

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **Delfont Mackintosh Theatres Limited**

## **Strategic report for the 52 weeks ended 30 March 2014**

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The directors present their strategic report together with the audited financial statements of the company for the 52 weeks ended 30 March 2014

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

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

The company has had a successful year with Jersey Boys at the Prince Edward Theatre, The Book of Mormon at the Prince of Wales Theatre, Les Miserables at the Queens Theatre, Peter and Alice, The Cripple of Inishmaan, A Midsummer Night's Dream, Henry V and The Full Monty at the Noel Coward Theatre, Mamma Mia! at the Novello Theatre, The Audience, Private Lives, Strangers on a Train and Blithe Spirit at the Gielgud Theatre, and Quartermaine's Terms, Dr Glass, Relatively Speaking, Barking in Essex and The Weir at the Wyndham's Theatre

The company continues its theatre restoration and refurbishment programme, which it commenced in 2004/05, with further works being completed at the Prince Edward, Novello and Queens Theatres during the year

There have been no events since the balance sheet date which affect the position of the company, other than as disclosed in note 26

### **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 company, that of the management and operation of theatres in 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 company is also sensitive to wider macro economic trends

### **Financial risks**

The main financial risks arising from the company'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 Company's risk mitigation policy, 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 company does not consider interest rate risk to be significant. The company 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 company are funded principally out of the company's cash reserves.

# **Delfont Mackintosh Theatres Limited**

## **Strategic report for the 52 weeks ended 30 March 2014**

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### **Results and dividends**

The profit and loss account is set out on page 7 and shows the profit for the 52 weeks ended 30 March 2014

Turnover has increased during the year by £6,999,561, (23 0%), to £37,450,846 (31 March 2013 - £30,451,285)

Profits before taxation have increased by £4,128,631, (55 0%) to £11,637,227 (31 March 2013 - £7,508,596)

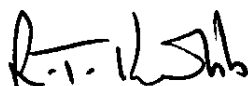
The directors do not recommend the payment of a dividend (31 March 2013 - £Nil)

### **Approval**

This strategic report was approved on behalf of the Board on 12/11/14

R T Knibb

Secretary



# **Delfont Mackintosh Theatres Limited**

## **Report of the directors for the 52 weeks ended 30 March 2014**

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The directors present their report together with the audited financial statements of the company for the 52 weeks ended 30 March 2014

### **Political and charitable donations**

During the year, the company made charitable contributions of £7,093 (31 March 2013 - £23,234)

There were no political donations (31 March 2013 - £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 company operates a policy of communicating with employees through a combination of meetings and electronic communication.

### **Directors**

The directors of the company during the year were

Sir Cameron Mackintosh  
N Allott  
R A Johnston

# **Delfont Mackintosh Theatres Limited**

## **Report of the directors for the 52 weeks ended 30 March 2014 (continued)**

### **Directors' responsibilities**

The directors are responsible for preparing the strategic report, 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **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 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

12/11/14

# **Delfont Mackintosh Theatres Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF DELFONT MACKINTOSH THEATRES LIMITED**

We have audited the financial statements of Delfont Mackintosh Theatres Limited for the 52 weeks ended 30 March 2014 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

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

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 March 2014 and of its profit for the period 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

# Delfont Mackintosh Theatres Limited

## Independent auditor's report (*continued*)

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

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

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



Scott McNaughton (*senior statutory auditor*)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

12 November 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)



# Delfont Mackintosh Theatres Limited

## Profit and loss account for the 52 weeks ended 30 March 2014

	Note	52 weeks ended 30 March 2014 £	53 weeks ended 31 March 2013 £
<b>Turnover</b>	2	<b>37,450,846</b>	30,451,285
Cost of sales		<b>20,899,644</b>	19,125,830
<b>Gross profit</b>		<b>16,551,202</b>	11,325,455
Administrative expenses		<b>4,997,711</b>	3,881,022
<b>Operating profit</b>	5	<b>11,553,491</b>	7,444,433
Interest receivable	6	<b>290,275</b>	287,736
Interest payable	7	<b>206,539</b>	223,573
<b>Profit on ordinary activities before taxation</b>		<b>11,637,227</b>	7,508,596
Taxation on profit on ordinary activities	8	<b>2,515,066</b>	1,819,065
<b>Profit on ordinary activities after taxation for the financial period</b>	17,18	<b>9,122,161</b>	5,689,531

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

## Balance sheet at 30 March 2014

<i>Company number 2518625</i>	Note	30 March 2014 £	30 March 2014 £	31 March 2013 £	31 March 2013 £
<b>Fixed assets</b>					
Tangible assets	9		64,702,934		65,507,347
Investments	10		200		200
			<hr/>		<hr/>
			64,703,134		65,507,547
<b>Current assets</b>					
Stocks	11	81,735		84,791	
Debtors	12	6,696,614		5,149,244	
Cash at bank and in hand		51,166,591		49,185,989	
		<hr/>		<hr/>	
		57,944,940		54,420,024	
<b>Creditors amounts falling due within one year</b>	13	28,518,333		33,657,888	
		<hr/>		<hr/>	
<b>Net current assets</b>			29,426,607		20,762,136
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			94,129,741		86,269,683
			<hr/>		<hr/>
<b>Creditors amounts falling due after more than one year</b>	14		10,176,360		11,176,360
			<hr/>		<hr/>
<b>Provisions for liabilities and charges</b>	15		1,759,937		2,022,040
			<hr/>		<hr/>
			82,193,444		73,071,283
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	16		122,002		122,002
Share premium account	17		19,980,000		19,980,000
Profit and loss account	17		62,091,442		52,969,281
			<hr/>		<hr/>
<b>Shareholders' funds</b>	18		82,193,444		73,071,283
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 12.11.14



R A Johnston  
Director

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

# Delfont Mackintosh Theatres Limited

## Cash flow statement for the 52 weeks ended 30 March 2014

	Note	52 weeks ended 30 March 2014 £	53 weeks ended 31 March 2013 £
<b>Cash flow from operating activities</b>	21	<b>6,230,234</b>	28,548,810
Servicing of finance	22	<b>83,736</b>	64,163
Taxation	22	<b>(2,339,116)</b>	(2,322,860)
Capital expenditure and financial investment	22	<b>(994,252)</b>	(2,594,027)
		<hr/>	<hr/>
<b>Cash inflow before management of liquid resources and financing</b>		<b>2,980,602</b>	23,696,086
Management of liquid resources	22	-	26,523,054
Financing	22	<b>(1,000,000)</b>	(1,000,000)
		<hr/>	<hr/>
<b>Increase in cash in the period</b>		<b>1,980,602</b>	49,219,140
		<hr/>	<hr/>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Repayment of loan capital		<b>1,000,000</b>	1,000,000
Increase in cash in the period		<b>1,980,602</b>	49,219,140
Cash outflow from movement in liquid resources		-	(26,523,054)
		<hr/>	<hr/>
<b>Movement in net funds in the period arising from cash flows</b>		<b>2,980,602</b>	23,696,086
Net funds at start of period	23	<b>37,009,829</b>	13,313,743
		<hr/>	<hr/>
<b>Net funds at end of period</b>	23	<b>39,990,431</b>	37,009,829
		<hr/>	<hr/>

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 52 weeks ended 30 March 2014

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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 financial statements contain information about Delfont Mackintosh Theatres Limited as an individual company and do not contain consolidated financial information as the parent of a group.

#### *Consolidated financial statements*

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent. These financial statements therefore represent information about the company as an individual undertaking and not about its group.

#### *Turnover*

Turnover represents income derived in the United Kingdom from the company's share of box office receipts and contra recharges charged to producers of shows presented in the group's theatres, 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 year 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.

The carrying values 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 52 weeks ended 30 March 2014 (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 company's principal activity.

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the 52 weeks ended 30 March 2014 (*continued*)

## 3 Employees

	52 weeks ended 30 March 2014 £	53 weeks ended 31 March 2013 £
Staff costs consist of		
Wages and salaries	10,994,638	9,951,925
Social security costs	1,154,044	1,033,558
Staff welfare and pension costs	120,694	100,427
	<u>12,269,376</u>	<u>11,085,910</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 £8,129,746 (31 March 2013 - £7,008,018) borne by visiting production companies.

	52 weeks ended 30 March 2014 Number	53 weeks ended 31 March 2013 Number
The average number of employees, including directors, during the year was		
Theatre management and technical staff	440	395
Administration	34	35
	<u>474</u>	<u>430</u>

## 4 Directors

	52 weeks ended 30 March 2014 £	53 weeks ended 31 March 2013 £
Directors' emoluments (excluding pension contributions)	<u>417,132</u>	<u>151,813</u>

Emoluments of the highest paid director (excluding pension contributions) amounted to £417,132.

The aggregate company contributions towards defined contribution pension schemes for directors was £Nil (31 March 2013 - £Nil).

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the 52 weeks ended 30 March 2014 (*continued*)

## 5 Operating profit

	52 weeks ended 30 March 2014 £	53 weeks ended 31 March 2013 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	1,798,665	1,816,623
Hire of plant and machinery	64,804	56,624
Auditors' remuneration and expenses		
- audit services	45,700	44,600
- tax services	9,410	9,010
Aggregate rentals receivable under operating leases	(635,390)	(623,904)
Hire of other assets - operating leases	81,768	81,768
	<hr/>	<hr/>

## 6 Interest receivable

	52 weeks ended 30 March 2014 £	53 weeks ended 31 March 2013 £
Bank interest receivable	290,002	287,648
Interest on tax	273	88
	<hr/>	<hr/>
	290,275	287,736
	<hr/>	<hr/>

## 7 Interest payable

	52 weeks ended 30 March 2014 £	53 weeks ended 31 March 2013 £
Interest payable to parent company	206,539	223,573
	<hr/>	<hr/>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the 52 weeks ended 30 March 2014 (*continued*)

## 8 Taxation

	52 weeks ended 30 March 2014 £	53 weeks ended 31 March 2013 £
UK corporation tax	2,773,444	1,915,792
Underprovision in respect of previous years	3,725	(1,895)
	<hr/>	<hr/>
Total current tax charge	2,777,169	1,913,897
Deferred tax charge	1,641	(95,056)
Underprovision in respect of previous years	-	224
Effect of tax rate change on opening balances	(263,744)	-
	<hr/>	<hr/>
	2,515,066	1,819,065
	<hr/>	<hr/>

The tax assessed for the year is higher (31 March 2013 - lower) than the standard rate of corporation tax in the UK. The differences are explained below

	52 weeks ended 30 March 2014 £	53 weeks ended 31 March 2013 £
Profit on ordinary activities before tax	11,637,227	7,508,596
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 23% (31 March 2013 - 24%)	2,676,562	1,802,063
Effects of		
Fixed asset differences	91,079	-
Expenses not deductible for tax purposes	8,136	106,588
Additional deduction for land remediation expenditure	(447)	-
Adjustment to tax charge in respect of previous periods	3,725	(1,895)
Capital allowances in excess of depreciation	(8,852)	8,725
Other short term timing differences	6,966	(1,584)
	<hr/>	<hr/>
Current tax charge for year	2,777,169	1,913,897
	<hr/>	<hr/>



# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the 52 weeks ended 30 March 2014 (*continued*)

## 9 Tangible assets

	Long leasehold land and buildings £	Freehold land and buildings £	Plant and machinery, fixtures fittings, tools and equipment £	Total £
<i>Cost</i>				
At 1 April 2013	23,737,026	28,697,875	28,610,700	81,045,601
Additions	9,218	43,115	941,919	994,252
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 March 2014	<b>23,746,244</b>	<b>28,740,990</b>	<b>29,552,619</b>	<b>82,039,853</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2013	1,418,909	2,069,073	12,050,272	15,538,254
Charge for year	186,175	209,820	1,402,670	1,798,665
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 March 2014	<b>1,605,084</b>	<b>2,278,893</b>	<b>13,452,942</b>	<b>17,336,919</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 March 2014	<b>22,141,160</b>	<b>26,462,097</b>	<b>16,099,677</b>	<b>64,702,934</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2013	22,318,117	26,628,802	16,560,428	65,507,347
	<hr/>	<hr/>	<hr/>	<hr/>

Certain of the company's long leasehold and freehold land and buildings are currently leased out under operating leases

On 11 June 2014 a charge was registered over the freehold properties of The Novello, The Prince of Wales and The Prince Edward Theatre as security for a Letter of Credit issues by Cameron Mackintosh Limited, the ultimate parent company

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the 52 weeks ended 30 March 2014 (*continued*)

## 10 Fixed assets investments £

Cost

At 1 April 2013 and at 30 March 2014

200

In the opinion of the directors the value of the company's interests in subsidiary companies is not less than 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 & Operation - Dormant
Prince Edward Theatre Limited	Ordinary	100%	Theatre Management & Operation - Dormant

The above companies are incorporated and registered in England

## 11 Stocks

	30 March 2014 £	31 March 2013 £
Goods for resale	<u>81,735</u>	<u>84,791</u>

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

## 12 Debtors

	30 March 2014 £	31 March 2013 £
Trade debtors	4,085,483	4,466,514
Other debtors	57,799	86,273
Prepayments and accrued income	2,553,332	596,457
	<u>6,696,614</u>	<u>5,149,244</u>

All amounts fall due for payment within one year

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the 52 weeks ended 30 March 2014 (*continued*)

## 13 Creditors amounts falling due within one year

	30 March 2014 £	31 March 2013 £
Trade creditors	3,146,490	2,969,976
Amounts due to ultimate parent company		
- intercompany account	925,092	444,683
- current element of loan	1,000,000	1,000,000
Other creditors	365,924	360,572
Taxation and social security	1,410,890	2,816,375
Accruals and deferred income	20,241,493	25,075,893
Corporation tax payable	1,428,444	990,389
	<hr/> 28,518,333 <hr/>	<hr/> 33,657,888 <hr/>

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

	30 March 2014 £	31 March 2013 £
Amounts owed to subsidiary undertakings	200	200
Amounts owed to ultimate parent company - long term element of loan	10,176,160	11,176,160
	<hr/> 10,176,360 <hr/>	<hr/> 11,176,360 <hr/>

The amounts owed are repayable as follows

	Ultimate parent company 30 March 2014 £	Ultimate parent company 31 March 2013 £	Subsidiary Undertakings 30 March 2014 £	Subsidiary undertakings 31 March 2013 £
In more than 1 year				
but not more than 2 years	1,000,000	1,000,000	-	-
In more than 2 years				
but not more than 5 years	4,000,000	4,000,000	-	-
In more than 5 years	5,176,160	6,176,160	200	200
	<hr/> 10,176,160 <hr/>	<hr/> 11,176,160 <hr/>	<hr/> 200 <hr/>	<hr/> 200 <hr/>

Interest is payable on the above loan at market rate This is repayable in annual instalments over the loan term

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the 52 weeks ended 30 March 2014 (*continued*)

## 15 Provision for liabilities and charges

		Company Deferred taxation £
At 1 April 2013		2,022,040
Charge to profit and loss account		(262,103)
		<hr/>
At 30 March 2014		1,759,937
		<hr/>
<i>Deferred taxation</i>		
	30 March 2014 £	31 March 2013 £
Accelerated capital allowances	1,779,707	2,037,811
Short term timing differences	(19,770)	(15,769)
	<hr/>	<hr/>
	1,759,937	2,022,040
	<hr/>	<hr/>

## 16 Called up share capital

	30 March 2014 £	31 March 2013 £
<i>Authorised, allotted, called up and fully paid</i>		
122,002 (31 March 2013 - 122,002) ordinary shares of £1 each	122,002	122,002
	<hr/>	<hr/>

## 17 Reserves

	Share premium account £	Profit and loss account £
At 1 April 2013	19,980,000	52,969,281
Profit for the period	-	9,122,161
	<hr/>	<hr/>
At 30 March 2014	19,980,000	62,091,442
	<hr/>	<hr/>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the 52 weeks ended 30 March 2014 (*continued*)

<b>18 Reconciliation of movements in shareholders' funds</b>	<b>£</b>
Opening shareholders' funds	73,071,283
Profit for the financial period	9,122,161
	<hr/>
Closing shareholders' funds	<b>82,193,444</b>
	<hr/>

## 19 Pension contributions

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

There were no pension contributions outstanding at the year end (31 March 2013 - £Nil)

## 20 Commitments under operating leases

As at 30 March 2014, the company had annual commitments under non-cancellable operating leases as set out below

	30 March 2014 Land and buildings £	30 March 2014 Other £	31 March 2013 Land and buildings £	31 March 2013 Other
Operating leases which expire				
Within one year	-	11,600	-	16,977
In two to five years	-	32,690	-	-
After five years	81,768	-	81,768	-
	<hr/>	<hr/>	<hr/>	<hr/>
	81,768	44,290	81,768	16,977
	<hr/>	<hr/>	<hr/>	<hr/>

## 21 Reconciliation of operating profit to operating cash inflows

	52 weeks ended 30 March 2014 £	53 weeks ended 31 March 2013 £
Operating profit	11,553,491	7,444,433
Depreciation charge	1,798,665	1,816,623
Decrease in stocks	3,056	2,605
Increase in debtors	(1,547,370)	(734,957)
(Decrease)/increase in creditors	(5,577,608)	20,020,106
	<hr/>	<hr/>
Net cash inflow from operating activities	<b>6,230,234</b>	<b>28,548,810</b>
	<hr/>	<hr/>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the 52 weeks ended 30 March 2014 (*continued*)

## 22 Analysis of cash flows

	52 weeks ended 30 March 2014 £	53 weeks ended 31 March 2013 £
<b>Servicing of finance</b>		
Interest receivable	290,275	287,736
Interest payable on long term loans	(206,539)	(223,573)
	<u>83,736</u>	<u>64,163</u>
<b>Taxation</b>		
Taxation paid	(2,339,116)	(2,322,860)
Taxation received	-	-
	<u>(2,339,116)</u>	<u>(2,322,860)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(994,252)	(2,594,027)
<b>Management of liquid resources</b>		
Net movement in treasury deposit	-	26,523,054
<b>Financing</b>		
Repayment of loan capital	(1,000,000)	(1,000,000)

## 23 Analysis of net debt

	At 1 April 2013 £	Cash flows £	Non cash adjustments £	At 30 March 2014 £
Cash in hand and at bank	49,185,989	1,980,602	-	51,166,591
Liquid resources - treasury deposit	-	-	-	-
Amounts due to ultimate parent company				
- current element of loan	(1,000,000)	1,000,000	(1,000,000)	(1,000,000)
- long term element of loan	(11,176,160)	-	1,000,000	(10,176,160)
	<u>37,009,829</u>	<u>2,980,602</u>	<u>-</u>	<u>39,990,431</u>
<b>Total</b>	<u>37,009,829</u>	<u>2,980,602</u>	<u>-</u>	<u>39,990,431</u>

# **Delfont Mackintosh Theatres Limited**

**Notes forming part of the financial statements  
for the 52 weeks ended 30 March 2014 (*continued*)**

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## **24 Ultimate controlling party**

The company's immediate and 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.

## **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 wholly owned entities which form part of the group headed by Cameron Mackintosh Limited.

During the year rental charges of £81,768 (31 March 2013 - £81,768) 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 £40,328 (31 March 2013 - £40,929) 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 30 March 2014, £2,784 (31 March 2013 - £Nil) was owed to Mackintosh Catering.

The parent company issued a letter of credit amounting to \$37.5m during the period in respect of deferred consideration due to Freddie Gershon, a minority shareholder and director of two of the group's subsidiaries, MTI Enterprise LLC and Music Theatre International Inc. The letter of credit is secured by way of a charge over three of the freehold theatres owned by the company, The Novello, The Prince of Wales and The Prince Edward.

## **26 Post balance sheet events**

On 21 September 2014 the company completed the purchase of the 1500 seat Victoria Palace Theatre for an aggregate consideration of £26m. Initial consideration of £21m was paid on completion and a further £5m of deferred consideration is payable subject to the satisfaction of certain conditions.