

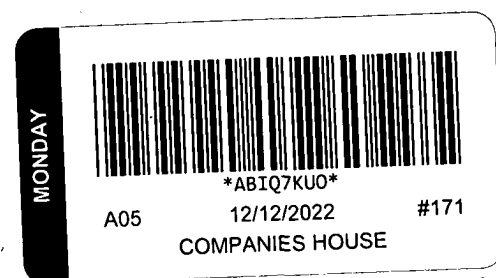
Delfont Mackintosh Theatres Limited

Report and Financial Statements

Year Ended

27 March 2022

Company Number 2518625



Delfont Mackintosh Theatres Limited

Report and financial statements for the year ended 27 March 2022

Contents

Page:

1	Strategic report
4	Directors' report
8	Directors' responsibilities statement
9	Independent auditor's report
12	Statement of comprehensive income
13	Balance sheet
14	Statement of cash flows
15	Statement of changes in equity
16	Notes forming part of the financial statements

Directors

Sir Cameron Mackintosh
N D Allott OBE
A Finch CBE
W L Village

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 year ended 27 March 2022

The directors present their strategic report together with the audited financial statements of the company for the year ended 27 March 2022.

Principal activities

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

In the spring of 2021, the UK government announced plans to reopen the economy following the restrictions imposed to deal with the coronavirus pandemic, subject to a step-by-step easing of restrictions. The company's theatres gradually reopened commencing with a socially distanced production in May 2021 and by the end of September 2021 all eight theatres were open for business.

Despite the successful reopening of the company's theatres in the second half of the financial year, trading conditions remained challenging: a consistent return to pre-pandemic audience attendance levels continues to take time to re-build as domestic visitors, office workers and international tourists return to London. In addition, the arrival of a new variant of COVID-19 - omicron - resulted in a series of cancelled performances over Christmas 2021, the period of the year when ticket sales and audience attendance would ordinarily be at a peak.

The company continues its theatre restoration and refurbishment programme including the addition of The Sprague Terrace: with an independent entrance on Shaftsbury Avenue, the terrace also links together with both the Gielgud Theatre dress circle and Sondheim Theatre grand circle bars to create versatile, multi-configuration event spaces.

Business review year ended 27th March 2022

The income statement is set out on page 12 and shows the profit on ordinary activities before tax for the year of £3,324,084 (2021 – loss of £17,285,867). Turnover for the year was £36,290,844 (2021 - £2,138,113). The profit is considerably lower than the company's performance prior to the pandemic for the reasons outlined above, alongside the significant cost of reopening all the theatres in the middle of the year over a very short time period. Provided the coronavirus situation does not deteriorate, the company would expect profitability to improve again in the coming financial year, being the first full year of operation since the start of the pandemic.

Delfont Mackintosh Theatres Limited

Strategic report for the year ended 27 March 2022 (continued)

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. With the onset of the COVID-19 pandemic, crisis teams consisting of key employees were established to protect all aspects of the business whilst productions and theatres were closed to the public. The directors continue to monitor the situation as it evolves, with the aim of re-opening operations as soon as it is safe to do so.

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 out of the company's cash reserves and loans from the parent company.

Delfont Mackintosh Theatres Limited

Strategic report for the year ended 27 March 2022 (continued)

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The company made a profit for the year of £3,324,084 and had total net assets of £126,525,400 including cash of £8,510,358 at 28 March 2022. The company recommenced trade during the period after a period of enforced closures following the UK Government's announcement that the public should not visit theatres to minimise the spread of coronavirus.

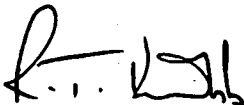
The Directors confirm that they have complied with the requirements of Companies Act 2006. The Directors have considered the impact which the current economic downturn, triggered by COVID-19 could have on the ability of the company to continue as a going concern. The business is cash flow generative, and the directors do not believe that the company will require further funding to continue trading for a period of at least the next 12 months. Whilst the business has net current liabilities of £13,596,308 as at the balance sheet date, this is as a result of deferred income of £25,141,332 included within accruals and deferred income, being advance ticket sales, which will convert to revenue as the shows take place at a future date.

In February 2022, Russian military invaded Ukraine, and since this time, governments around the world have reacted by imposing economic sanctions on relevant jurisdictions. As a result of this, the directors have carried out a review of the business including customer and supplier relationships. The situation continues to be monitored but at the point of writing, the directors do not expect the conflict to have a material impact on the business and there has been no resulting change to the directors' view on the company's ability to continue as a going concern.

As such, the Directors have adopted the going concern basis in preparing the Annual Report and Financial Statements.

Approval

This strategic report was approved on behalf of the Board on 25/11/2022



R T Knibb

Company Secretary

Delfont Mackintosh Theatres Limited

Directors' report for the year ended 27 March 2022

The directors present their report together with the audited financial statements of the company for the year ended 27 March 2022.

Strategic report

A review of the business for the year ended 27 March 2022 including discussion of key performance indicators is included in the Strategic report on page 1.

Political and charitable donations

During the year, the company made charitable contributions of £85 (2021 - £Nil).

There were no political donations (2021 - £Nil).

Employment of disabled persons

The company is an equal opportunities employer and its recruitment process is open to all. We are determined to foster a culture of inclusivity and respect where everyone feels valued and supported. The company is accredited as Disability Confident Committed under the government's scheme recognising our commitments to recruitment, anticipating and providing reasonable adjustments as required and supporting any existing employee who acquires a disability or long term health condition.

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 period were:

Sir Cameron Mackintosh
N D Allott OBE
R A Johnston - resigned 30 April 2021
A Finch CBE
W L Village - appointed 6 April 2021

Results and dividends

The statement of comprehensive income is set out on page 12 and shows the profit for the year ended 27 March 2022.

The directors do not recommend the payment of a dividend (2021 - £Nil).

Section 172(1) statement

This section describes how the Directors have had regard to the matters set out in section 172(1)(a) to (f) Companies Act 2016 (the "Act"), in exercising their duty to promote the success of the Company for the benefit of its members as a whole.

Directors are required to have regard (amongst other matters) to the interests of the wider stakeholders, as well as:

- the likely long-term consequences of any decision they make;
- the interests of the Company's colleagues;
- the need to foster the Company's business relationships with suppliers, customers, and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly; as between members of the company

Delfont Mackintosh Theatres Limited

Directors' report for the year ended 27 March 2022 (continued)

Section 172(1) statement (continued)

Each of the policies set out below have informed and guided the directors as to how the promotion of the success of the Company for the benefit of its members as a whole should be achieved with regard to the matters set out in paragraphs (a) to (f) of Section 172(1)

Colleagues

The directors are determined to: create an environment in which our colleagues are able to flourish and thrive; foster an ethos of inclusivity where everyone feels respected, valued and supported; promote a culture of wellbeing to improve mental health, resilience and productivity; and treat everyone equally so that every individual, whatever their background, may reach their full potential and contribute meaningfully to our success. The directors engage with this through training, development, mentoring, meetings and forums.

Customers

We aim to build long term relationships with our customers by offering the highest quality product, outstanding service and first-rate experience. Understanding our customers' needs is key to us delivering and continually improving the best in industry experience. The Company engages with customers through satisfaction and experience surveys and social media and website interactions. Understanding our customers' needs and behaviours allows us to deliver bespoke products and services, retain customers and also attract new ones. It also identifies areas for improvement and growth.

Suppliers

It is vital that we build strong working relationships with our intermediaries and we operate in conjunction with a wide range of suppliers to deliver the best service to our customers. The Board maintain oversight of the management of our most important suppliers and our procedures are set up to ensure suppliers are paid within agreed payment terms whilst taking appropriate measures to protect the Company's own assets. The Board also monitors the actions taken to prevent modern slavery and associated practices in any part of the Company's supply chain.

Communities and the Environment

The Company acts as a responsible employer and aims to minimise any negative impact it has on the community and the environment. Seven of the Company's eight West End theatres are either Grade II or Grade II* listed. The Company's owner is passionate and committed to continually refurbishing and maintaining these historic buildings to the highest possible standards. The Company continues to make improvements where possible to its building sustainability programme including:

- preferring LED lighting for new or replacement lighting installations
- fitting air handling units with heat recovery exchangers
- selecting air conditioning systems with refrigerants that are CFC, HCFC and HFC free
- replacing traditional boiler plant with high efficiency condenser boilers
- balancing ventilation systems with airtight buildings to effectively maintain comfort in spaces and reduce energy loss
- reduced water use through low flow taps and showers

High standards of business conduct

It is our policy to conduct all our business in an honest and ethical manner. The Company requires all employees to agree to a code of conduct which includes policies relating to: anti-bribery, health and safety at work, alcohol, drugs and substance abuse, equal opportunities, whistleblowing, dignity at work, anti-harassment, anti-bullying and child protection, amongst others. The directors are acutely aware of the high profile nature of the Delfont Mackintosh brand and make every effort to both protect this reputation and live up to its standards.

The board believes that the following decision taken during the year were of strategic importance:

With the announcement in the spring of 2021 of the UK governments plans to restart the economy following the restrictions of the COVID-19 pandemic, the directors established teams consisting of key employees to consider all aspects affecting the reopening the productions and theatres, including the effects on employees, the safety of the customers and audiences and the financial success and stability of the business.

The decision to carry out the addition of the Sprague Terrace linking together both the Gielgud Theatre dress circle and Sondheim Theatre grand circle bars. The benefit of these extensive refurbishment works was to enhance the comfort of the customers experience by creating a multipurpose, multi-configuration event space. The board considered both internal and external stakeholders before embarking upon these works.

Delfont Mackintosh Theatres Limited

Directors' report for the year ended 27 March 2022 (continued)

Streamline Energy and Carbon Reporting

Delfont Mackintosh Theatres Ltd is a "large unquoted company" under the Streamlined Energy and Carbon Reporting regulations so must report annually on greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport.

Methodology

This report is compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance', and the EMA methodology for SECR Reporting. All measured emissions from activities which the organisation has financial control over are included as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, unless otherwise stated in the exclusions statement.

The carbon figures have been calculated using the BEIS 2021 carbon conversion factors for all fuels.

UK Carbon Footprint Data 2021-22

Scope	Description	Specific fuels	tCO2e
Scope 1	Combustion of fuel on site and transportation	On site: Natural Gas, F-Gas Transport: N/A	285
Scope 2	Purchased energy	Electricity	383
Scope 3	Indirect Emissions	N/A	0
Total		Location based	668
Intensity Ratio	tCO2e/£1m Turnover	Location based	18.2
Energy Usage	Total kWh consumed	Electricity, Natural Gas, Gas Oil, Petrol, Diesel, Unknown vehicle fuel	3,359,636

Emissions detail by fuel type locations-based method

Electricity	57%
Natural Gas	43%
F-Gas	0%

Year on Year Emission Changes

- Delfont Mackintosh Theatre's emissions decreased from 1,586 tCO2e in 2020/21 to 668 tCO2e in 2021/22. This is an emissions decrease of 58%. Against the 2019/20 base year emissions have decreased by 39%.
- Scope 1 emissions (natural gas) reduced from 781 tCO2e in 2020/21 to 285 tCO2e in 2021/22, an emissions reduction of 64%. There were no f-gas leaks recorded in 2021/22.
- Scope 2 electric consumption decreased from 4,247,916 kWh in 2020/21 to 1,554,066 in 2021/22. Scope 2 location based emissions decreased by 64% as a result of lower consumption and a reduction in the emission intensity of the UK's emissions reporting factor for grid electricity.
- The emissions decrease has been attributed to recharges to tenants resuming in the year to 27 March 2022 when theatres re-opened.

Delfont Mackintosh Theatres Limited

Directors' report for the year ended 27 March 2022 (continued)

Streamline Energy and Carbon Reporting (continued)

Energy Efficiency Actions Taken

As part of Delfont Mackintosh Theatres Ltd's continued investment in M&E plant, Buildings Management Systems and the drive to sustainability and energy saving, the following plant were replaced during years 2021/22:

- The Prince Edward Theatre has replaced its heating and hot water generation, replacing the ageing 3x Bongio-Anni gas boilers with high efficiency Hamworthy Condensing boilers and replacing the 2x Boss direct fired water heaters with new Hamworthy Condensing boilers. These are all linked and controlled by an upgraded Building Management system and operation of heating and hot water are optimised by occupation times schedules and compensated by outside air temperature control.
- The Prince of Wales Theatre has replaced the aging 2x Hamworthy Shaftsbury boilers with new high efficiency Hamworthy Condensing boilers as well as a complete upgrade to the boiler control and management systems. The single Hitachi Chiller was replaced by 2x Daikin Multi Scroll chillers with environmentally friendly R32 refrigerant, inverter driven compressors and fans and optimised controls to maximise efficiency during occupation and non-occupational times of the building as well as outside air compensated controls. The auditorium halogen lighting was replaced with modern LED lighting, controlled by new dimmers and sophisticated lighting controls, contributing to a significant energy saving to the building.

Estimation methods used


- Electricity consumption has been estimated based on consumption charges and the ONS average price for electricity between April 2021 and March 2022.
- Natural Gas consumption has been estimated based on consumption charges and the ONS average price for commercial natural gas for April 2021 to March 2022.

Auditor

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 auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is 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 25/11/2022

Delfont Mackintosh Theatres Limited

Directors' responsibilities statement for the year ended 27 March 2022

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.

Delfont Mackintosh Theatres Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELFONT MACKINTOSH THEATRES LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 27 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Delfont Mackintosh Theatres Limited ("the Company") for the year ended 27 March 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Delfont Mackintosh Theatres Limited

Independent auditor's report (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Delfont Mackintosh Theatres Limited

Independent auditor's report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, the Companies Act of 2006, data and the relevant tax regulations.
- We understood how the company is complying with those frameworks by making enquiries of management, those charged with governance and responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where they considered there was a susceptibility to fraud.
- Our audit planning identified fraud risks in relation to management override and risk of fraud in revenue recognition. We considered the processes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors that processes and controls.
- We designed our audit procedures to detect irregularities, including fraud. Our procedures included journal entry testing, with a focus on large or unusual transactions based on our knowledge of the business; enquiries with those charged with governance and company Management.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Andrew Viner

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Andrew Viner (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

Date 25 November 2022

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

Delfont Mackintosh Theatres Limited

Statement of comprehensive income for the year ended 27 March 2022

	Note	2022 £	2021 £
Turnover	2	36,290,844	2,138,113
Cost of sales		(24,588,243)	(16,338,389)
Gross profit/(loss)		11,702,601	(14,200,276)
Administrative expenses		(8,564,498)	(9,240,846)
Other Operating Income		359,695	6,294,954
Operating profit/(loss)	5	3,497,798	(17,146,168)
Interest receivable	6	1,277	7,683
Interest payable	7	(174,991)	(147,382)
Profit/(loss) on ordinary activities before taxation		3,324,084	(17,285,867)
Taxation	8	(3,022,397)	2,347,574
Profit/(loss) on ordinary activities after taxation and total comprehensive income		301,687	(14,938,293)

All amounts relate to continuing activities.

The total comprehensive income is all attributable to the owners of the parent company.

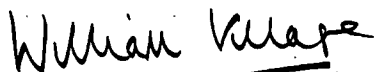
The notes on pages 16 to 27 form part of these financial statements

Delfont Mackintosh Theatres Limited

Balance sheet at 27 March 2022

Company number 2518625	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		154,769,044		156,297,755
Investments	10		24,796,921		24,796,921
			<hr/>		<hr/>
			179,565,965		181,094,676
Current assets					
Stock	11	263,433		140,984	
Debtors	12	12,596,491		5,612,726	
Cash at bank and in hand		8,510,358		4,116,176	
		<hr/>		<hr/>	
		21,370,282		9,869,886	
Creditors: amounts falling due within one year	13	34,966,590		45,574,882	
		<hr/>		<hr/>	
Net current liabilities			(13,596,308)		(35,704,996)
Total assets less current liabilities			<hr/>		<hr/>
			165,969,657		145,389,680
Creditors: amounts falling due after more than one year	14		29,690,877		11,823,742
Provisions for liabilities and charges	15		9,753,380		7,342,225
			<hr/>		<hr/>
			126,525,400		126,223,713
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	16		122,002		122,002
Share premium account	16		19,980,000		19,980,000
Profit and loss account	16		106,423,398		106,121,711
			<hr/>		<hr/>
Shareholders' funds			126,525,400		126,223,713
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 25/11/2022



W L Village
Director

The notes on pages 16 to 27 form part of these financial statements

Delfont Mackintosh Theatres Limited

Statement of cash flows for the year ended 27 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the period	301,687	(14,938,293)
Adjustments for:		
Depreciation of fixed assets	4,060,486	4,009,616
Taxation expense	3,022,397	(2,347,574)
Interest received	(1,277)	(7,683)
Interest paid	174,991	147,382
Decrease/(increase) in trade and other debtors	(7,144,779)	2,176,037
Decrease in stock	(122,449)	(5,584)
(Decrease) in trade and other creditors	14,837,023	(15,517,797)
Loss incurred on write-off of assets under construction	-	1,333,765
Cash from operations	15,128,079	(25,150,131)
Interest paid	(174,991)	(77,504)
Taxation paid	(450,904)	-
Net cash generated from operating activities	14,502,184	(25,227,635)
Cash flows from investing activities		
Purchases of tangible fixed assets	(2,531,775)	(2,080,992)
Assets under construction	-	(156,412)
Interest received	1,277	7,683
Net cash from investing activities	(2,530,498)	(2,229,721)
Cash flows from financing activities		
Repayment of long-term intercompany loan	(7,577,504)	7,577,504
Net cash used in financing activities	(7,577,504)	7,577,504
Net decrease in cash and cash equivalents	4,394,182	(19,879,852)
Cash and cash equivalents at beginning of year	4,116,176	23,996,028
Cash and cash equivalents at end of year	8,510,358	4,116,176
Cash and cash equivalents comprise:		
Cash at bank and in hand	8,510,358	4,116,176
	8,510,358	4,116,176

The notes on pages 16 to 27 form part of these financial statements

Delfont Mackintosh Theatres Limited

Statement of changes in equity for the year ended 27 March 2022

	Share capital £	Share premium account £	Profit and loss Account £	Total equity £
29 March 2020	122,002	19,980,000	121,060,004	141,162,006
Comprehensive income for the year				
Loss for the period	-	-	(14,938,293)	(14,938,293)
28 March 2021	122,002	19,980,000	106,121,711	126,223,713
	Share capital £	Share premium account £	Profit and loss Account £	Total equity £
28 March 2021	122,002	19,980,000	106,121,711	126,223,713
Comprehensive income for the year				
Profit for the period	-	-	301,687	301,687
27 March 2022	122,002	19,980,000	106,423,398	126,525,400

The company's reserves are as follows:

- Share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments

The notes on pages 16 to 27 form part of these financial statements

Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements for the year ended 27 March 2022

1 Accounting policies

Delfont Mackintosh Theatres Limited is a private company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. Numbers are rounded to the nearest pound.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The company made a profit for the year of £3,324,084 and had total net assets of £126,525,400 including cash of £8,510,358 at 28 March 2022. The company recommenced trade during the period after a period of enforced closures following the UK Government's announcement that the public should not visit theatres to minimise the spread of coronavirus.

The Directors confirm that they have complied with the requirements of Companies Act 2006. The Directors have considered the impact which the current economic downturn, triggered by COVID-19 could have on the ability of the company to continue as a going concern. The business is cash flow generative, and the directors do not believe that the company will require further funding to continue trading for a period of at least the next 12 months. Whilst the business has net current liabilities of £13,596,308 as at the balance sheet date, this is as a result of deferred income of £25,141,332 included within accruals and deferred income, being advance ticket sales, which will convert to revenue as the shows take place at a future date.

In February 2022, Russian military invaded Ukraine, and since this time, governments around the world have reacted by imposing economic sanctions on relevant jurisdictions. As a result of this, the directors have carried out a review of the business including customer and supplier relationships. The situation continues to be monitored but at the point of writing, the directors do not expect the conflict to have a material impact on the business and there has been no resulting change to the directors' view on the company's ability to continue as a going concern.

As such, the Directors have adopted the going concern basis in preparing the Annual Report and Financial Statements.

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 company'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.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements for the year ended 27 March 2022 (continued)

1 Accounting policies (continued).

Depreciation

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

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

Freehold theatre buildings, consisting of the fabric of the buildings are not depreciated. The buildings are maintained to a very high standard and the costs of maintenance are charged to the profit and loss account as incurred. Consequently the directors believe that after taking account of the residual value of the theatres based on ("the estimated amount that would be obtained from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of an age and in a condition expected at the end of its useful life") no depreciation is required. An impairment review of the theatres is carried out annually by the directors and any impairment would be charged through the profit and loss account in the year in which it was identified.

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.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Company intends to hold them on a continuing basis, are re-measured to market value at each balance sheet.

Stock

Stock is included at the lower of cost and net realisable value.

Financial assets

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

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.

Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements for the year ended 27 March 2022 (continued)

1 Accounting policies (continued)

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.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in other income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability. Cash received under the UK Coronavirus Job Retention Scheme, in relation to employees who were on furlough at the time, was recognised through other operating income in the income statement.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Depreciation of tangible fixed assets occurs when the asset is capable of operating as management intended. For assets under construction this can be judgemental and based on a variety of criteria, including but not limited to; actual spend against budget, availability of the asset for use in the business, external reports from third party surveyors. Each asset under construction is considered on a case by case basis.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 9)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements
for the year ended 27 March 2022 (continued)

2 Turnover

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

3 Employees

	2022 £	2021 £
Staff costs consist of:		
Wages and salaries	10,337,135	12,188,409
Social security costs	1,254,301	1,107,829
Staff welfare and pension costs	477,653	388,659
Redundancy cost	66,540	1,065,757
	<u>12,135,629</u>	<u>14,750,654</u>

The above costs have been charged to the profit and loss account in arriving at the trading profit for the period and include directors' emoluments. They include payroll costs amounting to £6,553,115 (2021 - £55,034) borne by visiting production companies. All redundancy payments were settled during the period. There were no further payments due as at the balance sheet date (2021: £nil).

	2022 Number	2021 Number
The average number of employees, including directors, during the period was:		
Theatre management and technical staff	386	362
Administration	49	52
	<u>435</u>	<u>414</u>

4 Directors

	2022 £	2021 £
Directors' emoluments (excluding pension contributions)	<u>293,388</u>	<u>405,048</u>

Emoluments of the highest paid director (excluding pension contributions) amounted to £293,388 (2021 - £405,048).

The aggregate company contributions towards defined contribution pension schemes for directors was £Nil (2021 - £Nil). Key management personnel include all directors across the company who together have authority and responsibility for planning, directing and controlling the activities of the company.

Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements
for the year ended 27 March 2022 (*continued*)

5 Operating profit / (loss)

	2022 £	2021 £
This is arrived at after charging/(crediting):		
Government grants – CJRS funding	(359,695)	(6,294,954)
Depreciation of tangible fixed assets	4,060,486	4,009,616
Exceptional restoration and refurbishment cost	389,380	65,995
Hire of plant and machinery	20,485	18,619
Auditors' remuneration and expenses		
- audit services	85,000	50,000
- tax services	18,250	17,000
Aggregate rentals receivable under operating leases	(61,169)	(117,198)
Hire of other assets - operating leases	137,760	137,760
	<hr/>	<hr/>

6 Interest receivable

	2022 £	2021 £
Bank interest receivable	1,277	7,683
	<hr/>	<hr/>

7 Interest payable

	2022 £	2021 £
Interest payable to parent company	174,991	147,382
	<hr/>	<hr/>

Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements
for the year ended 27 March 2022 (*continued*)

8 Taxation

	2022 £	2021 £
UK corporation tax	124,661	-
Adjustment in respect of previous years	486,581	(2,596,235)
	<hr/>	<hr/>
Total current tax (credit)	611,242	(2,596,235)
Deferred tax charge	732,795	246,106
Adjustments in respect of previous years	(486,581)	2,555
Effect of tax rate change on opening balances	2,164,941	-
	<hr/>	<hr/>
	3,022,397	(2,347,574)
	<hr/>	<hr/>

The tax assessed for the year is lower (2021 - lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	3,324,084	(17,285,867)
	<hr/>	<hr/>
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 19% (2021 - 19%)	631,576	(3,284,315)
Effects of:		
Fixed asset differences	46,875	46,841
Expenses not deductible for tax purposes	3,134	3,223
Losses carried back	-	2,572,938
Group relief surrendered	-	907,419
Adjustment to tax charge in respect of previous periods	-	(2,596,235)
Adjustment to tax charge in respect of previous periods – deferred tax	-	2,555
Victoria Palace fair value deferred tax liability	1,312,607	-
Adjust opening deferred tax average to 19%	1,028,205	-
	<hr/>	<hr/>
Current tax (credit) for year	3,022,397	(2,347,574)
	<hr/>	<hr/>

Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements
for the year ended 27 March 2022 (*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 28 th March 2021	29,791,223	85,918,672	73,540,883	189,250,778
Additions	-	600,785	1,930,990	2,531,775
At 27th March 2022	29,791,223	86,519,457	75,471,873	191,782,553
<i>Depreciation</i>				
At 28 th March 2021	3,024,576	2,489,728	27,438,719	32,953,023
Charge for year	246,709	2	3,813,775	4,060,486
At 27th March 2022	3,271,285	2,489,730	31,252,494	37,013,509
<i>Net book value</i>				
At 28 th March 2021	26,766,647	83,428,944	46,102,164	156,297,755
At 27th March 2022	26,519,938	84,029,727	44,219,379	154,769,044

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

Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements
for the year ended 27 March 2022 (continued)

10 Fixed assets investments

£

Cost

At 28th March 2021

24,796,921

At 27 March 2022

24,796,921

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
Victoria Palace Theatre Limited*	Ordinary	100%	Holding company - Dormant
Victoria Palace*	Ordinary	100%*	Theatre Management & Operation - Dormant

The above companies are incorporated and registered in England.

* Registered office address for above companies at 1 Bedford Square, London, WC1B 3RB

11 Stock

	2022 £	2021 £
Goods for resale	263,433	140,984

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

Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements
for the year ended 27 March 2022 (*continued*)

12 Debtors

	2022 £	2021 £
Trade debtors	4,315,528	274,570
Other debtors	1,833,386	618,524
Prepayments and accrued income	4,485,881	2,597,597
Corporation Tax Receivable	1,961,696	2,122,035
	<u>12,596,491</u>	<u>5,612,726</u>

All amounts fall due for payment within one year.

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	5,529,396	945,231
Amounts due to ultimate parent company		
- intercompany account	872,751	876,050
- Loan	1,000,000	1,000,000
Other creditors	1,072,399	1,147,696
Taxation and social security	481,588	187,654
Accruals and deferred income	26,010,456	15,973,612
Corporation tax payable	-	-
Amount due to subsidiary entity	-	25,444,639
	<u>34,966,590</u>	<u>45,574,882</u>

14 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to subsidiary undertakings	25,444,839	200
Amounts owed to ultimate parent company:		
- Long term element of loan	4,246,038	4,246,038
- COVID Loan	-	7,577,504
	<u>29,690,877</u>	<u>11,823,742</u>

Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements
for the year ended 27 March 2022 (continued)

14 Creditors: amounts falling due after more than one year (continued)

The amounts due to the ultimate parent company above are repayable as follows

	Ultimate parent company 2022 £	Ultimate parent company 2021 £
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	2,000,000	2,000,000
In more than 5 years	1,246,038	8,823,542
	<u>4,246,038</u>	<u>11,823,542</u>

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

15 Provision for liabilities and charges

Company		Deferred taxation £
At 28 th March 2021		7,342,225
Deferred taxation recognised on hive up		
Charge to profit and loss account		2,411,155
		<u>9,753,380</u>
At 27 th March 2022		
Deferred taxation		
	2022 £	2021 £
Accelerated capital allowances	4,295,538	3,182,702
Deferred taxation on acquisition fair values of theatres acquired	5,469,195	4,159,588
Short term timing differences	(11,353)	(65)
	<u>9,753,380</u>	<u>7,342,225</u>

Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements
for the year ended 27 March 2022 (continued)

16 Capital and reserves

	2022 £	2021 £
Called up share capital		
<i>Authorised, allotted, called up and fully paid</i>		
122,002 (2021 - 122,002) ordinary shares of £1 each	122,002	122,002
Share premium account		
Share premium	19,980,000	19,980,000
Profit and loss account		

The profit and loss account contains the profit or loss recognised in the statement of comprehensive income. The movement in profit and loss account is disclosed in the statement of changes in equity.

17 Pension contributions

The Delfont Mackintosh Company operates the Delfont Mackintosh Group Personal Pension Scheme.

There was a pension amount of £20,053 outstanding as at 27 March 2022 (2021 - £342).

18 Commitments under operating leases

As at 27 March 2022, annual commitments under non-cancellable operating leases as set out below:

Lessee	2022 Land and buildings £	2022 Other £	2021 Land and buildings £	2021 Other £
Operating leases which expire:				
Within one year	137,760	9,666	137,760	9,666
In two to five years	551,040	9,520	551,040	19,186
After five years	16,806,720	-	16,944,480	-
	<u>17,495,520</u>	<u>19,186</u>	<u>17,633,280</u>	<u>28,852</u>

As at 27 March 2022 there were rentals receivable under non-cancellable operating leases for the following future minimum lease payments. There are no contingent rents.

Leases receivable

	2022 Property Rental £	2021 Property Rental £
Rental Leases due:		
Within one year	200,000	-
In two to five years	800,000	800,000
After five years	1,800,000	2,000,000
	<u>2,800,000</u>	<u>2,800,000</u>

Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements for the year ended 27 March 2022 (continued)

19 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.

20 Related party transactions

During the period rental charges of £137,760 (2021 - £137,760) were paid to Sir Cameron Mackintosh, the ultimate controlling party, by the company in respect of rent due for the Sondheim and Gielgud Theatres.

During the period, purchases of £17,325 (2021 - £Nil) 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 27 March 2022, £Nil (2021 - £Nil) was owed to Mackintosh Catering.

The company has taken advantage of the exemptions provided by FRS102 paragraph 33.1A and not disclosed the transactions with group undertakings where 100% of the voting rights are controlled within the group.

Refer to Note 19 for more information on where to obtain a copy of the Group accounts.

21 Financial instruments

The Company's financial instruments may be analysed as follows:

	2022 £'000	2021 £'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>14,659,271</u>	<u>5,009,270</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>39,907,297</u>	<u>42,841,924</u>

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise amounts due to related parties, trade creditors, other creditors, contingent consideration and accruals.

The financial risks are discussed in the Strategic Report.