

**Delfont Mackintosh Theatres  
Limited**

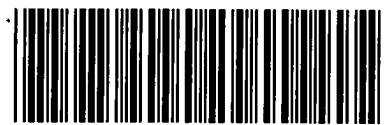
Report and Financial Statements

Year Ended

26 March 2023

Company Number 2518625

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# **Delfont Mackintosh Theatres Limited**

## **Report and financial statements for the year ended 26 March 2023**

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### **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 26 March 2023**

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The directors present their strategic report together with the audited financial statements of the company for the year ended 26 March 2023.

### **Principal activities**

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

The company continued to host the successful long-running productions of *Les Misérables*, *Hamilton*, *Mamma Mia!* and *The Book of Mormon* at the Sondheim, Victoria Palace, Novello and Prince of Wales theatres respectively.

At the Noel Coward Theatre, the musical *Dear Evan Hansen* concluded its run during the year. This was followed by James Graham's new play *Best of Enemies* and *The Great British Bake Off – The Musical*. The Broadway production of *To Kill A Mockingbird* continued to play at the Gielgud throughout the year. Following the conclusion of *Life of Pi*, Wyndham's Theatre hosted the Broadway transfer of *Oklahoma!*. *Mary Poppins* completed its run at the Prince Edward at the start of 2023, followed by the US production of *Ain't Too Proud*.

The company continued its theatre restoration and refurbishment programme making ongoing improvements both front- and back-of-house across the portfolio.

### **Business review year ended 26 March 2023**

The income statement is set out on page 13 and shows the profit on ordinary activities before tax for the year of £16,265,376 (2022 – £3,324,084). Turnover for the year was £66,197,390 (2022 – £36,290,844). This was the first full year of operation since the coronavirus pandemic, enabling a much improved financial result.

# **Delfont Mackintosh Theatres Limited**

## **Strategic report for the year ended 26 March 2023 (continued)**

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### **Key performance indicators**

The directors drive business performance through the setting of clearly defined budgets from which it derives key performance indicators (KPIs) 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; and
- debtors in absolute and debtor days, including trends.

### **Principal risks and uncertainties**

As a theatre operator, our principal activity carries an inherent risk that we are largely reliant on the success or otherwise of the shows in our theatres. At the same time, competition to attract and stage quality productions remains strong and the company is also sensitive to wider macro-economic trends.

### **Financial risks**

The main financial risks arising from the company's activities are credit, interest rate and liquidity. 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 deal only with established reputable companies. The directors do 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 26 March 2023 (continued)**

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### **Going concern**

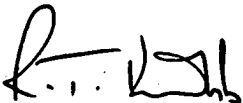
The directors confirm that they have complied with the requirements of Companies Act 2006.

The company made a profit for the year of £16,265,376 and had total net assets of £139,600,917 including cash of £25,515,197 at 26 March 2023.

The directors are mindful of the potential reduction in consumers' disposable income caused by the recent increase to the cost of living. Nevertheless, whilst they will continue to monitor this closely and make prudent adjustments where possible and appropriate, they are of the view that they do not expect this to have a substantive material impact on the company's overall future performance. The annual report and financial statements have therefore been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

### **Approval**

This strategic report was approved on behalf of the directors on 16 November 2023



R T Knibb  
Company Secretary

# **Delfont Mackintosh Theatres Limited**

## **Directors' report for the year ended 26 March 2023**

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The directors present their report together with the audited financial statements of the company for the year ended 26 March 2023.

### **Strategic report**

A review of the business for the year ended 26 March 2023 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 £4,900 (2022 - £85).

There were no political donations (2022 - 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  
A Finch CBE  
W L Village

### **Results and dividends**

The statement of comprehensive income is set out on page 13 and shows the profit for the year ended 26 March 2023.

The directors do not recommend the payment of a dividend (2022 - Nil).

### **Section 172(1) statement**

The directors have had due 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.

As such, the directors 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 26 March 2023 (*continued*)

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### 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 directors 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 directors 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 about and committed to continually refurbishing and maintaining our historical 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;
- reducing water use through low flow taps and showers; and
- investigating the installation of solar panels to reduce energy sourced from fossil fuels.

#### *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.

# Delfont Mackintosh Theatres Limited

## Directors' report for the year ended 26 March 2023 (continued)

### Streamline Energy and Carbon Reporting - (continued)

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*, 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 intensity measurement of turnover has been selected in order to compare emissions with company growth and for consistency with similarly reporting businesses for review of the market position.

The carbon figures have been calculated using the BEIS 2022 carbon conversion factors for all fuels

	Description	Specific fuels	tCO2e
<b>Scope 1</b>	Combustion of fuel on site and transportation	On site: Natural Gas, F-Gas Transport: N/A	371
<b>Scope 2</b>	Purchased energy	Electricity	784
<b>Scope 3</b>	Indirect emissions	N/A	-
<b>Total</b>		Location based	1,155
<b>Intensity Ratio</b>	tCO2e/£1m Turnover	Location based	17
<b>Energy Usage</b>	Total kWh consumed	Electricity, Natural Gas, Gas Oil, Petrol, Diesel, Unknown vehicle fuel	6,083,505

#### UK Carbon Footprint Data 2022-23

##### Emissions detail by fuel type locations-based method

Electricity	68%
Natural Gas	32%
F-Gas	0%

#### Year on Year Emission Changes

- The company's emissions increased from 668 tCO2e in 2021/22 to 1,155tCO2e in 2022/23. This is an emissions increase of 73%. Against the 2019/20 base year emissions have increased by 5%.
- Scope 1 emissions (natural gas) increased from 285tCO2e in 2021/22 to 371tCO2e in 2022/23, an emissions rise of 30%. There were no F-gas leaks recorded through maintenance in 2022/23.
- Scope 2 electricity consumption Increased from 1,805,570kWh in 2021/22 to 4,052,616kWh in 2022/23. Scope 2 location based emissions increased by 104% as a result of greater consumption.
- The emissions increase has been attributed to a full year of trading.

# **Delfont Mackintosh Theatres Limited**

## **Directors' report for the year ended 26 March 2023 (continued)**

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### **Streamline Energy and Carbon Reporting - (continued)**

#### *Energy Efficiency Actions Taken*

The company continued to improve energy efficiency by investing in M&E plant and building management system enhancements including:

- implementation of improved ventilation and heating control and monitoring at each theatre;
- replacement of overdoor heaters at the Prince Edward Theatre with temperature controlled energy saving heaters; and
- installation of head office remote management controls for theatre building management systems.

#### *Estimation methods used*

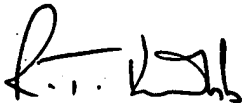
- Electricity consumption has been estimated based on consumption charges and the ONS average price for electricity between April 2022 and March 2023.
- Natural Gas consumption has been estimated based on consumption charges and the ONS average price for commercial natural gas for April 2022 to March 2023.

#### **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 16 November 2023

# **Delfont Mackintosh Theatres Limited**

## **Directors' responsibilities statement for the year ended 26 March 2023**

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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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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**

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### **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 26 March 2023 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 26 March 2023 which comprise the Statement of comprehensive income, Balance sheet, Statement of cash flows, 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)**

### **Other information - (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.

### **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.

# Delfont Mackintosh Theatres Limited

## Independent auditor's report (continued)

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### *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:

### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Company and the industry in which it operates.
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be regulations such as NI and VAT requirements.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations.
- Review of financial statement disclosures and agreeing to supporting documentation;
- Agree audited financial statement figures to the tax computation and recalculated key tax figures; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud.
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud.
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue.

# Delfont Mackintosh Theatres Limited

## Independent auditor's report (continued)

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation.
- Assessing significant estimates made by management for bias;
- Reviewing the revenue recognition process for each revenue stream and identified potential gaps in the process to identify what could go wrong and how it could result in incorrect revenue recognition. Obtaining an understanding of 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 processes and controls; and
- Testing on a sample basis revenue to relevant stream-specific support to ascertain appropriate revenue recognition.


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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:  
  
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**Andrew Viner** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

16 November 2023

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 26 March 2023

	Note	2023 £	2022 £
Turnover	2	66,197,390	36,290,844
Cost of sales		(37,905,445)	(24,588,243)
<b>Gross profit</b>		<b>28,291,945</b>	<b>11,702,601</b>
Administrative expenses		(11,965,111)	(8,564,498)
Other operating income		-	359,695
<b>Operating profit</b>	5	<b>16,326,834</b>	<b>3,497,798</b>
Interest receivable	6	128,581	1,277
Interest payable	7	(190,039)	(174,991)
<b>Profit on ordinary activities before taxation</b>		<b>16,265,376</b>	<b>3,324,084</b>
Taxation	8	(3,189,858)	(3,022,397)
<b>Profit on ordinary activities after taxation and total comprehensive income</b>		<b>13,075,518</b>	<b>301,687</b>

All amounts relate to continuing activities.

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


The notes on pages 17 to 28 form part of these financial statements

# Delfont Mackintosh Theatres Limited

## Balance sheet As at 26 March 2023

Company number 2518625	Note	2023 £	2023 £	2022 £	2022 £ As Restated
<b>Fixed assets</b>					
Tangible assets	9		157,273,170		157,711,103
Investments	10		24,796,921		24,796,921
			<u>182,070,091</u>		<u>182,508,024</u>
<b>Current assets</b>					
Stock	11	266,120		263,433	
Debtors	12	5,822,491		8,325,875	
Cash at bank and in hand		25,515,197		8,510,358	
		<u>31,603,808</u>		<u>17,099,666</u>	
<b>Creditors: amounts falling due within one year</b>	13	34,106,510		33,638,033	
<b>Net current assets / (liabilities)</b>			<u>(2,502,702)</u>		<u>(16,538,367)</u>
<b>Total assets less current liabilities</b>			<u>179,567,389</u>		<u>165,969,657</u>
<b>Creditors: amounts falling due after more than one year</b>	14		29,620,999		29,690,877
<b>Provisions for liabilities and charges</b>	15		10,345,472		9,753,380
			<u>139,600,918</u>		<u>126,525,400</u>
<b>Capital and reserves</b>					
Called up share capital	16		122,002		122,002
Share premium account	16		19,980,000		19,980,000
Profit and loss account	16		119,498,916		106,423,398
<b>Shareholders' funds</b>			<u>139,600,918</u>		<u>126,525,400</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16/11/2023

  
W L Village  
Director

The notes on pages 17 to 28 form part of these financial statements

# Delfont Mackintosh Theatres Limited

## Statement of cash flows for the year ended 26 March 2023

	2023 £	2022 £ As Restated
<b>Cash flows from operating activities</b>		
Profit for the period	13,075,518	301,687
Adjustments for:		
Depreciation of fixed assets	4,141,750	4,060,486
Taxation expense	3,189,856	3,022,397
Interest received	(128,581)	(1,277)
Interest paid	190,039	174,991
Decrease/(increase) in trade and other debtors	541,688	(1,545,606)
Increase in stock	(2,687)	(122,449)
Increase in trade and other creditors	371,545	10,566,407
<b>Cash from operations</b>	<b>21,379,128</b>	<b>16,456,636</b>
Interest paid	(190,039)	(174,991)
Taxation paid	(609,014)	(450,904)
<b>Net cash generated from operating activities</b>	<b>20,580,075</b>	<b>15,830,741</b>
<b>Cash flows from investing activities</b>		
Purchases of tangible fixed assets	(3,703,817)	(3,860,332)
Interest received	128,581	1,277
<b>Net cash from investing activities</b>	<b>(3,575,236)</b>	<b>(3,859,055)</b>
<b>Cash flows from financing activities</b>		
Repayment of long-term intercompany loan	-	(7,577,504)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(7,577,504)</b>
<b>Net increase in cash and cash equivalents</b>	<b>17,004,839</b>	<b>4,394,182</b>
Cash and cash equivalents at beginning of year	8,510,358	4,116,176
<b>Cash and cash equivalents at end of year</b>	<b>25,515,197</b>	<b>8,510,358</b>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank and in hand	25,515,197	8,510,358

The notes on pages 17 to 28 form part of these financial statements

## Delfont Mackintosh Theatres Limited

### Statement of changes in equity for the year ended 26 March 2023

	Share capital £	Share Premium account £	Profit and loss Account £	Total equity £
<b>28 March 2021</b>	122,002	19,980,000	106,121,711	126,223,713
<b>Comprehensive income for the year</b>				
Profit for the period	-	-	301,687	301,687
<b>27 March 2022</b>	122,002	19,980,000	106,423,398	126,525,400
	Share capital £	Share Premium account £	Profit and loss Account £	Total equity £
<b>27 March 2022</b>	122,002	19,980,000	106,423,398	126,525,400
<b>Comprehensive income for the year</b>				
Profit for the period	-	-	13,075,518	13,075,518
<b>26 March 2023</b>	122,002	19,980,000	119,498,916	139,600,918

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 17 to 28 form part of these financial statements

# Delfont Mackintosh Theatres Limited

## Notes forming part of the financial statements for the year ended 26 March 2023

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### 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 before tax for the year of £16,265,376 and had total net assets of £139,600,917 including cash of £25,515,197 at 26 March 2023.

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 26 March 2023 (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. Depreciation on assets under construction does not commence until they are complete and available for use.

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 being the estimated selling price less costs to complete and sell.

#### *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 26 March 2023 (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 26 March 2023 (continued)

## 2 Turnover

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

## 3 Employees

	2023 £	2022 £
Staff costs consist of:		
Wages and salaries	18,903,818	10,337,135
Social security costs	2,151,998	1,254,301
Staff welfare and pension costs	581,415	477,653
Redundancy cost	7,106	66,540
	<u>21,644,337</u>	<u>12,135,629</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 £14,561,129 (2022 - £6,553,115) 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 (2022 - Nil).

	2023 Number	2022 Number
The average number of employees, including directors, during the period was:		
Theatre management and technical staff	603	386
Administration	43	49
	<u>646</u>	<u>435</u>

## 4 Directors

	2023 £	2022 £
Directors' emoluments (excluding pension contributions)	<u>395,834</u>	<u>293,388</u>

Emoluments of the highest paid director (excluding pension contributions) amounted to £395,834 (2022 - £293,388).

The aggregate company contributions towards defined contribution pension schemes for directors was £10,000 (2022 - 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 26 March 2023 *(continued)*

## 5 Operating profit

	2023 £	2022 £
This is arrived at after charging/(crediting):		
Government grants – CJRS funding	-	(359,695)
Depreciation of tangible fixed assets	4,141,750	4,060,486
Exceptional restoration and refurbishment cost	277,653	389,380
Hire of plant and machinery	36,293	20,485
Auditors' remuneration and expenses		
- audit services	119,165	85,000
- tax services	16,935	18,250
Aggregate rentals receivable under operating leases	(330,552)	(61,169)
Hire of other assets - operating leases	172,200	137,760
	<u>                    </u>	<u>                    </u>

## 6 Interest receivable

	2023 £	2022 £
Bank interest receivable	128,581	1,277
	<u>                    </u>	<u>                    </u>

## 7 Interest payable

	2023 £	2022 £
Interest payable to parent company	190,039	174,991
	<u>                    </u>	<u>                    </u>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 26 March 2023 (continued)

## 8 Taxation

	2023 £	2022 £
UK corporation tax	2,706,040	124,661
Adjustment in respect of previous years	(108,275)	486,581
<b>Total current tax</b>	<b>2,597,765</b>	<b>611,242</b>
Deferred tax charge	486,292	732,795
Adjustments in respect of previous years	105,801	(486,581)
Effect of tax rate change on opening balances	-	2,164,941
<b>Taxation on profit on ordinary activities</b>	<b>3,189,858</b>	<b>3,022,397</b>

The tax assessed for the year is higher (2022 - lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	16,265,376	3,324,084
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2022 - 19%)	3,090,421	631,576
<b>Effects of:</b>		
Fixed asset differences	(28,801)	46,875
Expenses not deductible for tax purposes	14,063	3,134
Additional deduction for land remediation expenditure	(62)	-
Adjustment to tax charge in respect of previous periods	(108,275)	-
Adjustment to tax charge in respect of previous periods – deferred tax	105,801	-
Victoria Palace fair value deferred tax liability	-	1,312,607
Adjust opening deferred tax average to 19%	116,711	1,028,205
<b>Total tax charge for year</b>	<b>3,189,858</b>	<b>3,022,397</b>

## Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 26 March 2023 *(continued)*

### 9 Tangible assets

	Assets under construction £	Long leasehold land and buildings £	Freehold land and buildings £	Plant and machinery, fixtures, fittings, tools and Equipment £	Total £
<i>Cost</i>					
At 27 March 2022 (as restated – note 12)	2,942,059	29,791,223	86,519,457	75,471,873	194,724,612
Additions	2,653,322	193,809		856,686	3,703,817
Transfers	(4,802,112)	1,406,401	255,977	3,139,734	-
<b>At 26 March 2023</b>	<b>793,269</b>	<b>31,391,433</b>	<b>86,775,434</b>	<b>79,468,293</b>	<b>198,428,429</b>
<i>Depreciation</i>					
At 27 March 2022 (as restated)	-	3,271,285	2,489,730	31,252,494	37,013,509
Charge for year	-	250,517	-	3,891,233	4,171,750
<b>At 26 March 2023</b>	<b>-</b>	<b>3,521,802</b>	<b>2,489,730</b>	<b>35,143,727</b>	<b>41,155,259</b>
<i>Net book value</i>					
At 27 March 2022	2,942,059	26,519,938	84,029,727	44,219,379	157,711,103
<b>At 26 March 2023</b>	<b>793,269</b>	<b>27,869,631</b>	<b>84,285,704</b>	<b>44,324,566</b>	<b>157,273,170</b>

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

The prior year assets under construction balance has been restated as disclosed in note 12.

## Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 26 March 2023 (continued)

<b>10 Fixed assets investments</b>	<b>£</b>
Cost	
At 27 March 2022	24,796,921
<b>At 31 March 2023</b>	<b>24,796,921</b>

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

<b>11 Stock</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Goods for resale	266,120	263,433

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 26 March 2023 (continued)

## 12 Debtors

	2023 £	2022 £ As Restated
Trade debtors	5,253,490	4,315,528
Other debtors	201,125	1,833,386
Prepayments and accrued income	367,876	215,265
Corporation tax receivable	-	1,961,696
	<u>5,822,491</u>	<u>8,325,875</u>

All amounts fall due for payment within one year.

### Prior year adjustment

The prior year prepayments and accrued income balance has been restated for the following reasons:

- 1) unpaid invoices included within trade creditors where the service related to the next financial year had incorrectly been included as prepayments. As a result, a prior year adjustment has been recognised to net down prepayments and trade creditors by £1,328,557.
- 2) capital costs had been recognised within prepayments for asset projects under construction at the period end. As a result, a prior year adjustment has been recognised to reclassify these amounts to assets under construction within tangible fixed assets. The total reclassification recognised was £2,942,059.

None of the restatements have had any impact on the statement of comprehensive income.

## 13 Creditors: amounts falling due within one year

	2023 £	2022 £ As Restated
Trade creditors	4,110,505	4,200,839
Amounts due to ultimate parent company		
- intercompany account	988,758	872,751
- Loan	1,000,000	1,000,000
Other creditors	1,893,815	1,072,399
Taxation and social security	2,649,739	481,588
Accruals and deferred income	23,436,639	26,010,456
Corporation tax payable	27,054	-
	<u>34,106,510</u>	<u>33,638,033</u>

The prior year trade creditors balance has been restated as disclosed in note 12.

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

	2023 £	2022 £
Amounts owed to subsidiary undertakings	25,444,839	25,444,839
Amounts owed to ultimate parent company:		
- Long term element of loan	4,176,160	4,246,038
	<u>29,620,999</u>	<u>29,690,877</u>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 26 March 2023 (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 2023 £	Ultimate parent company 2022 £
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	1,176,160	1,246,038
	<u>4,176,160</u>	<u>4,246,038</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 27 <sup>th</sup> March 2022		9,753,380
Deferred taxation recognised on hive up		
Charge to profit and loss account		592,093
		<u>10,345,473</u>
At 26 March 2023		
Deferred taxation		
	2023 £	2022 £
Accelerated capital allowances	4,883,529	4,295,538
Deferred taxation on acquisition fair values of theatres acquired	5,469,195	5,469,195
Short term timing differences	(7,252)	(11,353)
	<u>10,345,472</u>	<u>9,753,380</u>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 26 March 2023 (continued)

## 16 Capital and reserves

	2023 £	2022 £
<b>Called up share capital</b>		
<i>Authorised, allotted, called up and fully paid</i>		
122,002 (2022 - 122,002) ordinary shares of £1 each	122,002	122,002
<b>Share premium account</b>		
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 £21,897 outstanding as at 26 March 2023 (2022 - £20,053).

## 18 Commitments under operating leases

As at 26 March 2023, annual commitments under non-cancellable operating leases as set out below:

Lessee	2023 Land and buildings £	2023 Other £	2022 Land and buildings £	2022 Other £
Operating leases which expire:				
Within one year	137,760	14,887	137,760	9,666
In two to five years	551,040	50,270	551,040	9,520
After five years	16,668,960	-	16,806,720	-
	<b>17,357,760</b>	<b>65,157</b>	<b>17,495,520</b>	<b>19,186</b>

As at 26 March 2023 there were rentals receivable under non-cancellable operating leases for the following future minimum lease payments. There are no contingent rents.

## Leases receivable

	2023 Property Rental £	2022 Property Rental £
Rental leases due:		
Within one year	278,572	200,000
In two to five years	998,216	800,000
After five years	1,600,000	1,800,000
	<b>2,876,788</b>	<b>2,800,000</b>

# Delfont Mackintosh Theatres Limited

Notes forming part of the financial statements  
for the year ended 26 March 2023 (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 (2022 - £137,760) were payable to Sir Cameron Mackintosh, the ultimate controlling party, by the company in respect of ground rent due for the Sondheim and Gielgud Theatres.

During the period, purchases of £9,495 (2022 - £17,325) 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 26 March 2023, £486 (2022 - 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:

	2023 £'000	2022 £'000 As Restated
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>30,969,812</u>	<u>14,659,272</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>41,346,204</u>	<u>38,578,740</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.

The prior year financial liabilities balances has been restated for the prior year adjustment to trade creditors as disclosed in note 12.