

**ARCOLA THEATRE LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 MARCH 2022**

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2022

|                                                | Note | 2022<br>£               | 2021<br>£               |
|------------------------------------------------|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                            |      |                         |                         |
| Tangible assets                                | 4    | -                       | 306                     |
|                                                |      | <u>-</u>                | <u>306</u>              |
| <b>Current assets</b>                          |      |                         |                         |
| Stocks                                         |      | 2,508                   | 1,726                   |
| Debtors: amounts falling due within one year   | 5    | -                       | 1,319                   |
| Cash at bank and in hand                       | 6    | 5,833                   | -                       |
|                                                |      | <u>8,341</u>            | <u>3,045</u>            |
| Creditors: amounts falling due within one year | 7    | (328,249)               | (290,058)               |
| <b>Net current liabilities</b>                 |      | <u>(319,908)</u>        | <u>(287,013)</u>        |
| <b>Total assets less current liabilities</b>   |      | <u>(319,908)</u>        | <u>(286,707)</u>        |
| <b>Net liabilities</b>                         |      | <u><u>(319,908)</u></u> | <u><u>(286,707)</u></u> |
| <b>Capital and reserves</b>                    |      |                         |                         |
| Called up share capital                        | 9    | 2                       | 2                       |
| Profit and loss account                        |      | (319,910)               | (286,709)               |
|                                                |      | <u><u>(319,908)</u></u> | <u><u>(286,707)</u></u> |

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2022**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2022.

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**M Ergen**  
Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**1.2 Going concern**

The financial statements have been prepared on the going concern basis despite the Company having net liabilities of £319,908. The directors feel this is appropriate given the intention that the directors and key management have confirmed they will continue to support the Company until such time as it makes profits and has sufficient cash resources to manage its debt.

**1.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**1.4 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**1.5 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**1. Accounting policies (continued)**

**1.6 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**1.7 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**1.8 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**1.9 Tangible fixed assets**

Tangible fixed assets under the cost model 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**1. Accounting policies (continued)**

**1.9 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

|                         |   |     |         |
|-------------------------|---|-----|---------|
| Improvement to property | - | 20% | on cost |
| Plant and machinery     | - | 50% | on cost |
| Fixtures and fittings   | - | 20% | on cost |
| Computer equipment      | - | 20% | on cost |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**1.10 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**1.11 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**1.12 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**1.13 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**1. Accounting policies (continued)**

**1.14 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**1.15 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

**2. Employees**

The average monthly number of employees, including directors, during the year was 7 (2021 - 8).

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**


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**3. Directors' remuneration**

|                       | 2022<br>£     | 2021<br>£     |
|-----------------------|---------------|---------------|
| Directors' emoluments | 22,231        | 36,797        |
|                       | <u>22,231</u> | <u>36,797</u> |

**4. Tangible fixed assets**

|                                     | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Fixtures and<br>fittings<br>£ | Office<br>equipment<br>£ | Total<br>£     |
|-------------------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------|----------------|
| <b>Cost or valuation</b>            |                           |                             |                               |                          |                |
| At 1 April 2021                     | 157,535                   | 5,671                       | 60,396                        | 5,464                    | 229,066        |
| At 31 March 2022                    | <u>157,535</u>            | <u>5,671</u>                | <u>60,396</u>                 | <u>5,464</u>             | <u>229,066</u> |
| <b>Depreciation</b>                 |                           |                             |                               |                          |                |
| At 1 April 2021                     | 157,533                   | 5,671                       | 60,092                        | 5,464                    | 228,760        |
| Charge for the year on owned assets | 2                         | -                           | 304                           | -                        | 306            |
| At 31 March 2022                    | <u>157,535</u>            | <u>5,671</u>                | <u>60,396</u>                 | <u>5,464</u>             | <u>229,066</u> |
| <b>Net book value</b>               |                           |                             |                               |                          |                |
| At 31 March 2022                    | <u>-</u>                  | <u>-</u>                    | <u>-</u>                      | <u>-</u>                 | <u>-</u>       |
| <b>At 31 March 2021</b>             | <u>2</u>                  | <u>-</u>                    | <u>304</u>                    | <u>-</u>                 | <u>306</u>     |

**5. Debtors**

|                   | 2022<br>£ | 2021<br>£    |
|-------------------|-----------|--------------|
| Other debtors     | -         | 1,231        |
| Deferred taxation | -         | 88           |
|                   | <u>-</u>  | <u>1,319</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

6. Cash and cash equivalents

|                          | 2022<br>£    | 2021<br>£       |
|--------------------------|--------------|-----------------|
| Cash at bank and in hand | 5,833        | -               |
| Less: bank overdrafts    | -            | (15,328)        |
|                          | <u>5,833</u> | <u>(15,328)</u> |

7. Creditors: Amounts falling due within one year

|                                    | 2022<br>£      | 2021<br>£      |
|------------------------------------|----------------|----------------|
| Bank overdrafts                    | -              | 15,328         |
| Trade creditors                    | 5,630          | 1,866          |
| Other taxation and social security | 36,215         | 31,541         |
| Other creditors                    | 286,404        | 241,323        |
|                                    | <u>328,249</u> | <u>290,058</u> |

8. Deferred taxation

|                           | 2022<br>£ |
|---------------------------|-----------|
| At beginning of year      | 88        |
| Charged to profit or loss | (88)      |
| At end of year            | <u>-</u>  |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

8. Deferred taxation (continued)

|                                 | 2022<br>£ | 2021<br>£ |
|---------------------------------|-----------|-----------|
| In excess of capital allowances | -         | 88        |
|                                 | <u>-</u>  | <u>88</u> |

9. Share capital

|                                            | 2022<br>£ | 2021<br>£ |
|--------------------------------------------|-----------|-----------|
| <b>Allotted, called up and fully paid</b>  |           |           |
| 2 (2021 - 2) Ordinary shares of £1.00 each | <u>2</u>  | <u>2</u>  |

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £991 (2021 - £1,268)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.