

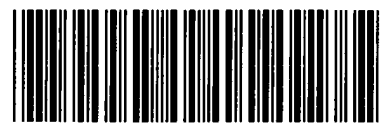
**Company registration number: 07782986**

# **Platform 9 3/4 K1ngs Cross Ltd**

**Annual Report and Financial Statements**

**for the Year Ended 29 February 2020**

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# **Platform 9 3/4 K1ngs Cross Ltd**

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## **Platform 9 3/4 K1ngs Cross Ltd**

### **Company Information**

<b>Directors</b>	D Bisoni S Roots
<b>Registered office</b>	Warner House 98 Theobald's Road London WC1X 8WB
<b>Auditor</b>	Ernst & Young LLP 1 More London Place London SE1 2AF
<b>Banker</b>	Lloyds Banking Group plc 3rd Floor, 25 Gresham Street London EC2V 7HN
<b>Banker</b>	Barclays Bank PLC 8/9 Hanover Square London W1A 4ZW

## **Platform 9 3/4 K1ngs Cross Ltd**

### **Directors' Report for the Year Ended 29 February 2020**

The directors present their annual report on the affairs of Platform 9 3/4 K1ngs Cross Ltd ("the company") together with the financial statements for the year ended 29 February 2020.

#### **Principal activity**

The principal activity of the company was that of retailing of Harry Potter memorabilia until 31 May 2019. After that date the continuing principal activity was to provide services to its immediate parent undertaking, Warner Bros. Studios Leavesden. This activity continued into the next period.

#### **Important events in the financial period**

As part of an internal restructuring, the principal activity of retailing of Harry Potter memorabilia and related assets and liabilities, including fixed assets, stocks and intercompany debtors and creditors, were transferred from the company to its immediate parent undertaking, Warner Bros. Studios Leavesden Limited on 1 June 2019.

The company retained license agreements which it provided as a service to its immediate parent undertaking, Warner Bros. Studios Leavesden Ltd until 18 December 2020 when they were also transferred. The company retained a lease agreement which it provides as a service to its immediate parent undertaking, Warner Bros. Studios Leavesden.

#### **Results and dividends**

Profit for the year after taxation amounted to £449,000 (loss for the 15-month period ended 28 February 2019 after taxation - £355,000).

No dividends were paid during the year. Dividends of £340,000 were paid during the 15-month period to 28 February 2019.

#### **Small companies' exemption**

In preparing the Directors' Report, the directors have taken advantage of the small companies' exemption under section 415(A) of the Companies Act 2006. The directors have also taken the exemption under section 414(B) not to prepare a Strategic Report.

#### **Directors of the company**

Except as noted below, the following were directors of the company who served throughout the year and were still directors at the date of this report:

J J Sands (resigned 20 November 2020)

T H Creighton (resigned 19 February 2021)

D Bioni

The following director was appointed after the year end:

S Roots (appointed 26 November 2020)

The Articles of Association do not require directors to retire either by rotation or in the year of appointment.

#### **Directors qualifying third party indemnity provisions**

The company may indemnify one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 and the company may purchase insurance for this purpose. AT&T Inc. has purchased a directors and officers liability insurance policy for the benefit of the company and its directors and such policy was in force during the period and is in force as at the date of approving the Directors' Report.

## **Platform 9 3/4 K1ngs Cross Ltd**

### **Directors' Report for the Year Ended 29 February 2020 (continued)**

#### **Post balance sheet events**

Subsequent to the company's 29 February 2020 financial year end, the COVID-19 outbreak was declared a pandemic by the World Health Organisation, in March 2020. Governments, the UK government among them, have imposed restrictions to reduce the risk of further spread of the disease - closing borders, ordering home quarantine and cancelling public events.

The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the company's business. The main COVID-19 impact was the full temporary closure of the stores owned by the immediate parent company, Warner Bros. Studios Leavesden which the company provides lease and licensing services to. The stores reopened in July/August before a second 4-week national lockdown which began on 4th November 2020. The stores reopened on 3rd December 2020 before closing again on 20th December 2020 for a third national lockdown. National and industry guidelines for the return to normality remain uncertain and under ongoing consideration, but the expectation is that some restrictions will remain in place, both across the country and internationally, for a prolonged period which will impact both local and international tourism.

The scale and duration of these developments remain uncertain as at the date of this report, however although they will have a short-term impact on the company's cash flow, it is the expectation of management that they will not have a long-term impact on the company's earnings or financial position. It is not possible to estimate the impact of the effects of governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the company.

The directors have assessed the impact of COVID-19 on the company, including a review of lease and license arrangements, as well as the ability to recharge the parent company. At present, the directors believe that the company is well placed to continue despite significant current adverse operational and financial impact.

The financial statements have been prepared based upon the conditions existing at the 29 February 2020 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after the 29 February 2020, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the financial statements as at 29 February 2020 for the impacts of COVID-19.

There were no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, or the results of those operations or the state of affairs of the company in future financial years.

## **Platform 9 3/4 K1ngs Cross Ltd**

### **Directors' Report for the Year Ended 29 February 2020 (continued)**

#### **Going Concern**

The directors have reviewed the current financial performance and position of the company and considered the impact of COVID-19 on the company and are confident that it will not lead to the company no longer being a going concern. Specific trade and assets relating to the retailing of Harry Potter memorabilia were transferred from the company to its immediate parent undertaking, Warner Bros. Studios Leavesden Limited ("WBSL") on 1 June 2019. The company retained license agreements which it provided as a service to its immediate parent undertaking, WBSL until 18 December 2020 when they were also transferred. From this date there is no operating income or costs in this company, and therefore the company is no longer active but it will be maintained as a non-trading company for the foreseeable future.

On the basis of their assessment of the company's financial position and future cash flows, the company's directors have a reasonable expectation that the company will be able to continue in existence for a period of at least twelve months from the date when the financial statements are authorised for issued. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Reappointment of auditors**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will continue in office.

#### **Disclosure of information to the auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/ she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Date:

On behalf of the Board



David Bisoni (Feb 26, 2021 16:24 GMT)

.....  
D Bisoni  
Director

Feb 26, 2021

## **Platform 9 3/4 Kings Cross Ltd**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing 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 period. 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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.



## **Platform 9 3/4 K1ngs Cross Ltd**

### **Independent Auditor's Report to the Members of Platform 9 3/4 K1ngs Cross Ltd**

#### **Qualified Opinion**

We have audited the financial statements of Platform 9 3/4 K1ngs Cross Ltd (the 'company') for the year ended 29 February 2020, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, and the related Notes 1 to 16, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section, the financial statements

- give a true and fair view of the company's affairs as at 29 February 2020 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.

#### **Basis for qualified opinion**

We were appointed as auditors of the Company on 7 May 2019. Our procedures on the financial statements for the period ended 28 February 2019 were limited and we disclaimed our opinion on the prior period financial statements as we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories, fixed assets, trade debtors, creditors and the elements making up the statement of comprehensive income and statement of changes in equity. As ending balances of prior year enter into the determination of the financial performance of the current year, we are unable to determine whether adjustments might have been necessary in respect of the profit for the current year reported in the income statement. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Further, we identified that cost of sales of £157k recorded in the current year should have been reflected in the financial statements for the period ended 28 February 2019.

In addition, were any adjustment to the financial statements to be required arising from these matters, the directors report would also need to be amended.

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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## **Platform 9 3/4 K1ngs Cross Ltd**

### **Independent Auditor's Report to the Members of Platform 9 3/4 K1ngs Cross Ltd (continued)**

#### **Emphasis of matter - Effects of COVID-19**

We draw attention to Note 1(b) and Note 16 of the financial statements, which describe the impact on the Company of COVID-19 in its operations and assessment of going concern. Our opinion is not modified in respect of this matter.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information, and except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, our audit opinion is qualified as we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the income statement for opening balances.

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

Except for the possible effects of the matters described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

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

## **Platform 9 3/4 K1ngs Cross Ltd**

### **Independent Auditor's Report to the Members of Platform 9 3/4 K1ngs Cross Ltd (continued)**

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

Except for the matters described in the basis for qualified opinion section of our report, in 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 Directors' Report.

Arising solely from the limitation on the scope of our work, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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;
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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.

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

## **Platform 9 3/4 K1ngs Cross Ltd**

### **Independent Auditor's Report to the Members of Platform 9 3/4 K1ngs Cross Ltd (continued)**

#### **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.



.....  
Stuart Darrington (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

26 February 2021

Date:.....

**Platform 9 3/4 K1ngs Cross Ltd**

**Income Statement  
for the Year Ended 29 February 2020**

		Continuing operations 29 February 2020 £ 000	Discontinued operations 29 February 2020 £ 000	Total 29 February 2020 £ 000	Continuing operations 15 month period ended 28 February 2019 £ 000	Discontinued operations 15 month period ended 28 February 2019 £ 000	Total 15 month period ended 28 February 2019 £ 000
	<b>Note</b>						
<b>Turnover</b>		1,619	4,122	5,741	-	20,134	20,134
<b>Cost of sales</b>		<u>(1,604)</u>	<u>(1,054)</u>	<u>(2,658)</u>	<u>-</u>	<u>(9,308)</u>	<u>(9,308)</u>
<b>Gross profit</b>		15	3,068	3,083	-	10,826	10,826
<b>Administrative expenses</b>		<u>-</u>	<u>(2,780)</u>	<u>(2,780)</u>	<u>-</u>	<u>(10,419)</u>	<u>(10,419)</u>
<b>Operating profit</b>	3	<u>15</u>	<u>288</u>	<u>303</u>	<u>-</u>	<u>407</u>	<u>407</u>
<b>Interest payable and similar expenses</b>	6	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41)</u>	<u>(41)</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41)</u>	<u>(41)</u>
<b>Profit before tax</b>		15	288	303	-	366	366
<b>Taxation</b>	7	<u>-</u>	<u>146</u>	<u>146</u>	<u>-</u>	<u>(721)</u>	<u>(721)</u>
<b>Profit/(loss) for the financial year</b>		<u>15</u>	<u>434</u>	<u>449</u>	<u>-</u>	<u>(355)</u>	<u>(355)</u>

Discontinued operations relating to the retail of Harry Potter merchandise was transferred to the immediate parent on 1 June 2019. All other amounts relate to continuing operations of providing services to the immediate parent company Warner Bros Studios Leavesden.

The notes on pages 13 to 24 form an integral part of these financial statements.

# Platform 9 3/4 K1ngs Cross Ltd

## Statement of Changes in Equity for the Year Ended 29 February 2020

	Note	Share capital £ 000	Profit and loss account £ 000	Total shareholder's funds £ 000
At 1 December 2017		-	4,347	4,347
Loss for the period		-	(355)	(355)
Dividends	14	-	(340)	(340)
At 28 February 2019		-	3,652	3,652

	Note	Share capital £ 000	Profit and loss account £ 000	Total shareholder's funds £ 000
At 1 March 2019		-	3,652	3,652
Profit for the year		-	449	449
At 29 February 2020		-	4,101	4,101

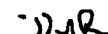
The notes on pages 13 to 24 form an integral part of these financial statements.

**Platform 9 3/4 Kings Cross Ltd**

**Statement of Financial Position  
as at 29 February 2020**

	Note	29 February 2020 £ 000	28 February 2019 £ 000
<b>Fixed assets</b>			
Tangible assets	8	-	1,791
<b>Current assets</b>			
Stocks	9	-	1,419
Debtors	10	4,154	2,819
Cash at bank and in hand		640	1,164
		<u>4,794</u>	<u>5,402</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(693)</u>	<u>(3,541)</u>
<b>Net current assets</b>		<u>4,101</u>	<u>1,861</u>
<b>Net assets</b>		<u>4,101</u>	<u>3,652</u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account		<u>4,101</u>	<u>3,652</u>
<b>Total shareholder's funds</b>		<u>4,101</u>	<u>3,652</u>

Approved by the Board and signed on its behalf by:



David Bisoni (Feb 26, 2021 16:24 GMT)

D Bisoni  
Director

Date:

Feb 26, 2021

Company registration number: 07782986

The notes on pages 13 to 24 form an integral part of these financial statements.

## **Platform 9 3/4 K1ngs Cross Ltd**

### **Notes to the Financial Statements for the Year Ended 29 February 2020**

#### **1 Accounting policies**

##### **a) Statement of compliance**

Platform 9 3/4 K1ngs Cross Ltd is a limited liability company incorporated in England. The Registered Office is 98 Theobald's Road, London, WC1X 8WB.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 29 February 2020.

##### **b) Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and with applicable United Kingdom accounting standards.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

##### **Going Concern**

The directors have reviewed the current financial performance and position of the company and considered the impact of COVID-19 on the company and are confident that it will not lead to the company no longer being a going concern. Specific trade and assets relating to the retailing of Harry Potter memorabilia were transferred from the company to its immediate parent undertaking, Warner Bros. Studios Leavesden Limited ("WBSL") on 1 June 2019. The company retained license agreements which it provided as a service to its immediate parent undertaking, WBSL until 18 December 2020 when they were also transferred. From this date there is no operating income or costs in this company, and therefore the company is no longer active but it will be maintained as a non-trading company for the foreseeable future.

On the basis of their assessment of the company's financial position and future cash flows, the company's directors have a reasonable expectation that the company will be able to continue in existence for a period of at least twelve months from the date when the financial statements are authorised for issued. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Statement of cash flows**

The company has taken advantage of the exemption in FRS 102.1.12(b) Reduced disclosures for subsidiaries. A statement of cashflows has not been prepared as the company is a member of a group where the parent, AT&T Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 15).



company is included in the consolidation (see note 12).

where the parent, A.T. Inc., prepares publicly available consolidated financial statements and the subsidiaries. A statement of cash flows has not been prepared as the company is a member of a group. The company has taken advantage of the exemption in FRS 105.1.13(p) Reduced disclosures for statement of cash flows

statements.

Thus they continue to adopt the going concern basis of accounting in preparing the annual financial period of at least twelve months from the date when the financial statements are approved for issued. directors have a reasonable expectation that the company will be able to continue in existence for a. On the basis of their assessment of the company's financial position and future cash flows, the company's

future.

the company is no longer active but it will be maintained as a non-trading company for the foreseeable were also transferred. From this date there is no operating income or costs in this company, and therefore provided as a service to its immediate parent undertaking, WBSG until 18 December 2020 when they studios Levesden Limited ("WBSG") on 1 June 2018. The company retained license agreements which it memorabilia were transferred from the company to its immediate parent undertaking, Warner Bros. no longer being a going concern. Specific trade and assets relating to the retailing of Harry Potter considered the impact of COVID-19 on the company and are confident that it will not lead to the company. The directors have reviewed the current financial performance and position of the company and going concern

rounded to the nearest £,000.

The financial statements are prepared in sterling which is the functional currency of the company and

the Companies Act 2006 and with applicable United Kingdom accounting standards.

The financial statements have been prepared under the historical cost convention and in accordance with

b) Basis of preparation

financial statements of the company for the year ended 28 February 2020.

The company's financial statements have been prepared in compliance with FRS 105 as it applies to the

Office is 88 Theobalds Road, London, WC1X 8WB.

Platform 9 3/4 Kings Cross Ltd is a limited liability company incorporated in England. The Registered

a) Statement of compliance

1 Accounting policies

Notes to the Financial Statements for the Year Ended 28 February 2020

Platform 9 3/4 Kings Cross Ltd

## **Platform 9 3/4 K1ngs Cross Ltd**

### **Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)**

#### **1 Accounting policies (continued)**

##### **Related parties**

The company has taken advantage of the exemption in FRS 102.1.12(e) Reduced disclosures for subsidiaries. Key management remuneration has not been disclosed as the company is a member of a group where the parent, AT&T Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 15).

The company has taken advantage of the exemption in FRS 102.33.1A not to disclose related party transactions with fellow wholly-owned subsidiary undertakings of AT&T Inc., which prepares publicly available consolidated financial statements (see note 15).

##### **c) Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Taxation**

The company recognises liabilities for anticipated uncertain corporation tax positions based on reasonable estimates of whether additional taxes will be due and the timing of those additional taxes. Further details are contained in note 7.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

##### **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets was sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values were re-assessed annually. They were amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 8 for the carrying amount of the property, plant and equipment, and below for the useful economic lives for each class of assets.

##### **Stock provisioning**

When calculating the inventory provision, management considered the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See Note 9 for the net carrying amount of the Inventory and current year charge.

##### **Operating lease commitments**

The company has entered into leases as a lessee. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

## **Platform 9 3/4 K1ngs Cross Ltd**

### **Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)**

#### **1 Accounting policies (continued)**

##### ***d) Significant accounting policies***

###### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes.

Discontinued operations turnover represents income from sale of goods related to the Harry Potter franchise.

Revenue from the sale of goods was recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

From 1 June 2019 continuing operations turnover represents service fee income on lease and licensing services performed on behalf of the immediate parent company Warner Bros Studios Leavesden Limited.

Revenue from the sale of services is recognised when the significant risks and rewards of ownership of the services have passed to the buyer (usually on recognition of the associated cost), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### **Defined contribution pension scheme**

Certain employees participated in a defined contribution pension scheme. The assets of the scheme were held separately from those of the company in an independently administered fund.

Pensions to defined contribution retirement benefit schemes are charged as an expense as they fall due.

###### **Interest receivable and payable**

Interest income and expense are recognised on an accruals basis.

###### **Tangible fixed assets**

Tangible fixed assets were recorded at cost, less accumulated depreciation and provision for impairment.

The company provided depreciation in equal annual instalments over the estimated lives of the assets down to their estimated residual value, at the following rates:

Freehold land and buildings	- not depreciated
Leasehold improvements	- shorter of lease term or 10 years
Furniture, fittings and equipment	- 15% on cost
Computer equipment	- 25% on cost
Motor vehicles	- 15% on cost

The carrying value of tangible fixed assets were reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

## **Platform 9 3/4 Kings Cross Ltd**

### **Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)**

#### **1 Accounting policies (continued)**

##### **Stocks**

Stocks were stated at the lower of cost, being invoiced purchase price, and net realisable value. Net realisable value was based on estimated selling price less further costs expected to be incurred to completion and disposal.

##### **Leasing commitments**

Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

##### **Deferred taxation**

Deferred tax is recognised without discounting in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits.

##### **Foreign currencies**

Transactions in foreign currencies are initially recorded in the entities functional currency by applying the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the income statement.

## **Platform 9 3/4 K1ngs Cross Ltd**

### **Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)**

#### **2 Turnover**

Until 31 May 2019 the company's turnover was derived from income from sale of goods related to the Harry Potter franchise, wholly undertaken in the United Kingdom.

From 1 June 2019 the company's turnover is derived from service fee income on lease and licensing services performed on behalf of the immediate parent company Warner Bros Studios Leavesden Limited, wholly undertaken in the United Kingdom.

#### **3 Operating profit**

This is stated after charging:

	<b>Year ended 29 February 2020 £ 000</b>	<b>15-Month period ended 28 February 2019 £ 000</b>
Auditors remuneration - audit of the financial statements	-	26
Intercompany write-off	284	3,178
Operating lease rentals	1,572	1,484
Loss on disposal of tangible fixed assets	-	440

Audit fees of £43,000 for the period were borne by a fellow group undertaking.

#### **4 Directors' remuneration**

Certain directors of the company were paid by the company. The other directors of the company were paid by fellow group undertakings; they have minimal qualifying services to the company and receive no remuneration in respect of the company.

	<b>Year ended 29 February 2020 £ 000</b>	<b>15-Month period ended 28 February 2019 £ 000</b>
Aggregate remuneration in respect of qualifying services	106	1,079
Aggregate company contributions paid to defined contribution pension scheme	4	6
	<u>110</u>	<u>1,085</u>

# Platform 9 3/4 K1ngs Cross Ltd

## Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

### 4 Directors' remuneration (continued)

	No.	No.
Members of defined contribution pension scheme	<u>1</u>	<u>3</u>

The amounts in respect of the highest paid director are as follows:

	Year ended 29 February 2020 £ 000	15-Month period ended 28 February 2019 £ 000
Remuneration in respect of qualifying services	106	406
Company contributions paid to defined contribution pension scheme	<u>4</u>	<u>2</u>

### 5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 29 February 2020 £ 000	15-Month period ended 28 February 2019 £ 000
Wages and salaries	567	3,358
Social security costs	39	252
Other pension costs	<u>12</u>	<u>61</u>
	<u>618</u>	<u>3,671</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Sales, administration and support	<u>36</u>	<u>154</u>

### 6 Interest payable and similar expenses

	Year ended 29 February 2020 £ 000	15-Month period ended 28 February 2019 £ 000
Interest on bank overdrafts and borrowings	<u>-</u>	<u>41</u>

## Platform 9 3/4 K1ngs Cross Ltd

### Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

#### 7 Taxation

a) The charge based on the profit for the year is made up as follows:

	Year ended 29 February 2020 £ 000	15 month period ended 28 February 2019 £ 000
<b>Current tax</b>		
Current tax at 19% (2019 - 19%)	115	721
Tax over provided in previous years	<u>(205)</u>	<u>-</u>
Total current tax charge	<u>(90)</u>	<u>721</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(3)	-
Over provision for prior years	<u>(53)</u>	<u>-</u>
Total deferred taxation	<u>(56)</u>	<u>-</u>
Total tax on profit on ordinary activities (note b below)	<u>(146)</u>	<u>721</u>

b) Circumstances affecting the total tax charge:

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19% (2019 - 19%).

The tax charge for the year differs from the standard rate for the reasons in the reconciliation below:

	Year ended 29 February 2020 £ 000	15 month period ended 28 February 2019 £ 000
Profit before tax	<u>303</u>	<u>366</u>
Tax on profit on ordinary activities at standard rate	58	70
<b>Factors affecting charge:-</b>		
Disallowable expenses	54	651
Tax over provided in previous years	<u>(258)</u>	<u>-</u>
Total tax (see note 7(a) above)	<u>(146)</u>	<u>721</u>

## Platform 9 3/4 K1ngs Cross Ltd

### Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

#### 7 Taxation (continued)

##### c) Deferred tax

Deferred tax is provided at 17% (2019 - 17%) in the statement of financial position as follows:

	2020 £ 000	2019 £ 000
Included in provision for liabilities	-	38
Analysed as:		
Accelerated capital allowances	-	(38)
	-	(38)
<u>Analysis of movement in deferred tax</u>		
At start of period as originally stated		(38)
(Charged)/ credited to profit and loss account		56
(Charged) / credited to Other Comprehensive Income		-
Other movements		(18)
At end of period		-

##### d) Factors affecting future tax charges

The Finance Act 2016 included legislation to reduce the main rate of corporation tax rate from 19% to 17% from 1 April 2020. The effect of these changes on the deferred tax balance is reflected in these accounts. In the 2020 Budget, it was announced that the reduction to 17% will not now take place. This change became substantively enacted on 17 March 2020 when the Budget Resolution was passed and was enacted when the Finance Act 2020 was given Royal Assent on 22 July 2020.



## Platform 9 3/4 K1ngs Cross Ltd

### Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

#### 8 Tangible fixed assets

	Freehold land and buildings £ 000	Total £ 000
<b>Cost</b>		
At 1 March 2019	1,791	1,791
Disposals	<u>(1,791)</u>	<u>(1,791)</u>
At 29 February 2020	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 29 February 2020	<u>-</u>	<u>-</u>
At 28 February 2019	<u>1,791</u>	<u>1,791</u>

All fixed assets were transferred at net book value to the immediate parent company Warner Bros Studios Leavesden on 1 June 2019.

#### 9 Stocks

	29 February 2020 £ 000	28 February 2019 £ 000
Finished goods and goods for resale	<u>-</u>	<u>1,419</u>

The cost of stocks recognised as an expense in the year amounted to £1,708,412 (2019 - £7,481,000).

All stocks were transferred at net book value to the immediate parent company Warner Bros Studios Leavesden on 1 June 2019.

# Platform 9 3/4 K1ngs Cross Ltd

## Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

### 10 Debtors

	Note	29 February 2020 £ 000	28 February 2019 £ 000
Trade debtors		-	91
Other debtors		-	16
Prepayments and accrued income		-	24
Amounts owed by group undertakings		3,810	2,660
Corporation tax receivable	7	344	28
		<u>4,154</u>	<u>2,819</u>

### 11 Creditors

	Note	29 February 2020 £ 000	28 February 2019 £ 000
<b>Due within one year</b>			
Trade creditors		-	1,317
Other taxation and social security		-	39
Accruals and deferred income		687	971
Deferred tax liability	7	-	38
Due to group undertakings		-	920
VAT payable		6	256
		<u>693</u>	<u>3,541</u>

## Platform 9 3/4 K1ngs Cross Ltd

### Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

#### 12 Obligations under leases and hire purchase contracts

Future minimum rentals payments under non-cancellable operating leases are as follows:

	Land and buildings	
	29 February 2020 £ 000	28 February 2019 £ 000
<b>Payments due:</b>		
Not later than one year	285	313
Later than one year and not later than five years	<u>1,330</u>	<u>1,330</u>
	<u>1,615</u>	<u>1,643</u>

#### 13 Share capital

Issued, allotted, called up and fully paid

	29 February 2020		28 February 2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>

#### 14 Dividends

	2020 £ 000	2019 £ 000
Ordinary dividends paid	<u>-</u>	<u>340</u>

Dividends totalling £nil (2019 - £340,000) were paid in the year ending 29 February 2020 in respect of shares held by the company's directors.

#### 15 Ultimate parent undertaking

The company's immediate parent undertaking is Warner Bros. Studios Leavesden Limited.

At 29 February 2020, AT&T Inc., a company incorporated in the United States of America, was the ultimate parent undertaking and the parent undertaking of the smallest and largest group of undertakings of which the company is a member and for which group financial statements are drawn up. Copies of AT&T Inc.'s financial statements can be obtained from 208 S.Akard St, Dallas, TX 75202, USA.

## **Platform 9 3/4 Kings Cross Ltd**

### **Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)**

#### **16 Non adjusting events after the financial period**

Subsequent to the company's 29 February 2020 financial year end, the COVID-19 outbreak was declared a pandemic by the World Health Organisation, in March 2020. Governments, the UK government among them, have imposed restrictions to reduce the risk of further spread of the disease - closing borders, ordering home quarantine and cancelling public events.

The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the company's business. The main COVID-19 impact was the full temporary closure of the stores owned by the immediate parent company, Warner Bros. Studios Leavesden which the company provides lease and licensing services to. The stores reopened in July/August before a second 4-week national lockdown which began on 4th November 2020. The stores reopened on 3rd December 2020 before closing again on 20th December 2020 for a third national lockdown. National and industry guidelines for the return to normality remain uncertain and under ongoing consideration, but the expectation is that some restrictions will remain in place, both across the country and internationally, for a prolonged period which will impact both local and international tourism.

The scale and duration of these developments remain uncertain as at the date of this report, however although they will have a short-term impact on the company's cash flow, it is the expectation of management that they will not have a long-term impact on the company's earnings or financial position. It is not possible to estimate the impact of the effects of governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the company.

The directors have assessed the impact of COVID-19 on the company, including a review of lease and license arrangements, as well as the ability to recharge the parent company. At present, the directors believe that the company is well placed to continue despite significant current adverse operational and financial impact.

The financial statements have been prepared based upon the conditions existing at the 29 February 2020 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after the 29 February 2020, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the financial statements as at 29 February 2020 for the impacts of COVID-19.

There were no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, or the results of those operations or the state of affairs of the company in future financial years.