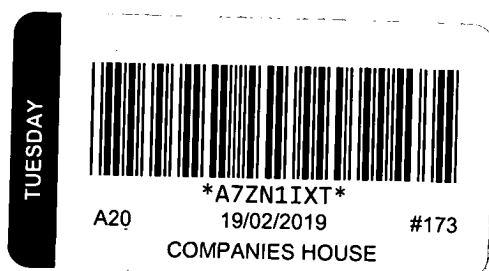

LONDON THEATRE COMPANY HOLDINGS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 SEPTEMBER 2018



LONDON THEATRE COMPANY HOLDINGS LIMITED
REGISTERED NUMBER: 09073223

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	204,325	-
Investments	6	101	101
		<u>204,426</u>	<u>101</u>
Current assets			
Debtors: amounts falling due after more than one year	7	15,690,191	15,239,321
Debtors: amounts falling due within one year	7	15	15
Cash at bank and in hand		65,478	722,826
		<u>15,755,684</u>	<u>15,962,162</u>
Creditors: amounts falling due within one year	8	(5,300)	(6,300)
Net current assets		<u>15,750,384</u>	<u>15,955,862</u>
Total assets less current liabilities		<u>15,954,810</u>	<u>15,955,963</u>
Creditors: amounts falling due after more than one year	9	-	(82)
Net assets		<u><u>15,954,810</u></u>	<u><u>15,955,881</u></u>
Capital and reserves			
Called up share capital	10	885	885
Share premium account		15,999,135	15,999,135
Capital redemption reserve		15	15
Profit and loss account		(45,225)	(44,154)
		<u><u>15,954,810</u></u>	<u><u>15,955,881</u></u>

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 income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

LONDON THEATRE COMPANY HOLDINGS LIMITED
REGISTERED NUMBER: 09073223

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 SEPTEMBER 2018

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


N F Starr
Director

Date: 12 February 2019

The notes on pages 3 to 10 form part of these financial statements.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. General information

The principal activity of the Company is that of a holding company for the London Theatre Company group, set up to develop and run independent theatres in London and produce new and distinctive theatrical productions.

The Company is a private company limited by shares and is incorporated in England and Wales.

The registered office address is Hanover House, 14 Hanover Square, W1S 1HP.

2. Accounting policies

2.1 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue to trade for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements, and will be able to meet its debts as they fall due.

2.3 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.4 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of income and retained earnings over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of income and retained earnings over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of income and retained earnings is charged with fair value of goods and services received.

The Company has taken advantage of the exemption available on transition to FRS 102 under FRS 102 section 35.10(b) to account for share warrants entered into before the transition date of 10 October 2015.

2.5 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Tangible fixed assets comprise assets under construction which relate to a theatre development undertaken by the Company. Depreciation on all assets will be charged when the assets are brought into use.

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 the Statement of Income and retained earnings.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.7 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.

2.8 Financial instruments

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and other debtors and creditors and loans to and from related parties.

(i) Financial assets

Basic financial assets, including other debtors, and amounts due from related companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Income and Retained Earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

3. **Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgments, 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. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgment (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

(i) Share-based payments

Certain employees have been granted share options that require a fair value methodology to value the options at the date of grant as detailed in accounting policy 2.4 and note 11.

4. **Employees**

The average monthly number of employees, including directors, during the year was 6 (2017 - 6).

5. **Tangible fixed assets**

	Theatre under design £
Cost or valuation	
Additions	204,325
At 30 September 2018	<u>204,325</u>
Net book value	
At 30 September 2018	<u>204,325</u>
At 30 September 2017	<u>-</u>

LONDON THEATRE COMPANY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2017	101
At 30 September 2018	101
Net book value	
At 30 September 2018	101
At 30 September 2017	101

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
LTC OTB Limited	Ordinary	100 %	Provision of facilities to stage theatrical productions
London Theatre Company Productions Limited	Ordinary	100 %	Commercial theatre production company

The aggregate of the share capital and reserves as at 30 September 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
LTC OTB Limited	(444,115)	(345,346)
London Theatre Company Productions Ltd	(1,420,987)	874,070
	(1,865,102)	528,724

LONDON THEATRE COMPANY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

7. Debtors

	2018 £	2017 £
Due after more than one year		
Amounts owed by group undertakings	15,690,191	15,239,321
	2018 £	2017 £
Due within one year		
Other debtors	15	15

Amounts due from group companies are unsecured, interest free and on a 13 month rolling contract.

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	5,300	6,300

9. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Amounts owed to group undertakings	-	82

10. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
513,750 A Preference shares of £0.001 each	514	514
371,250 Ordinary shares of £0.001 each	371	371
	885	885

The preference shares rank pari passu in all respects as Ordinary shares in the capital of the company apart from on the distribution of assets on a return of capital on or following an exit event where they will rank above the Ordinary shares.

LONDON THEATRE COMPANY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

11. Share based payments

The Company started a share-based payment scheme for some of its employees during the year.

Under this scheme, certain employees are granted share options in the Company. The options are granted with a fixed exercise price, are exercisable after the date of grant and expire 10 years after this date.

A reconciliation of share option movements over the year to 30 September 2018 is shown below

	Weighted average exercise price (pence) 2018	Number 2018
Granted during the year	799	50,000
Outstanding at the end of the year	799	50,000

The total charge for the year in respect of these share-based payments was £11,750 (2017: £Nil). The charge is treated as an expense in the financial statements of London Theatre Company Productions Limited. The corresponding reserve is held within equity in these financial statements.

The fair value calculation has been provided by an expert third party and uses an average of the Black-Scholes and binomial option pricing models with the following parameters

	2018
Fair value at grant date	£2.35
Share price at grant date	£7.99
Exercise price	£7.99
Option life	10 years
Expected volatility	Up to 20%
Expected dividends	None
Risk-free interest rate	1.27%

Warrants

During the prior year the Company issued share warrants to two individuals, one a former director of the Company, for a total of 15,000 Ordinary shares to be issued at the discretion of the warrant holders. The exercise price of these warrants is £13.33 Ordinary share.

The Company has taken advantage of the exemption to account for these warrants on transition to FRS 102 under FRS 102 section 35.10(b).

LONDON THEATRE COMPANY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

12. Related party transactions

The following balances at the year end relate to group companies

	2018 £	2017 £
Amounts included in debtors	15,690,191	15,329,321
Amounts included in creditors	-	(82)
	<u>15,690,191</u>	<u>15,329,239</u>

During the year, the shareholders issued loans to the Company amounting to £500,000 in total, which were repaid in full before the year end, accruing an interest charge of £7,581.

13. Auditors' information

The auditors' report on the financial statements for the year ended 30 September 2018 was unqualified.

The audit report was signed by Myfanwy Neville (Senior statutory auditor) for and on behalf of Berg Kaprow Lewis LLP.