Registered number: 09073223

LONDON THEATRE COMPANY HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

LONDON THEATRE COMPANY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J D S Booth L M Dorfman N R Hytner N F Starr G H Weston T Yeung Siu Tung
Company secretary	A I M Leveson
Registered number	09073223
Registered office	7 Savoy Court London WC2R 0EX
Independent auditors	BKL Audit LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Introduction

The Directors present their strategic report on the affairs of London Theatre Company group (the Group) for the 52-week period to 30 September 2022 (the period).

Business review

The principal activity of the Group continued to be that of producing theatrical productions and operating the Bridge Theatre. The period was the fifth year of operations at the Bridge since its opening in October 2017 as London's first new commercial theatre of scale in 50 years.

At the time of writing, our new production of *Guys and Dolls* has been playing for three and a half months to immense critical and popular success, with nearly 125,000 attendances and approximately £7m in gross ticket sales matured. The production has been extended to February 2024 and has provided some welcome cash security and the prospect of a return to a solidly profitable result. This is to be welcomed after 2021/22, considered in this report, which remained a period of turbulence and challenge for the theatre with the ongoing impact of the Covid-19 pandemic. That said, there was much positive about the theatre's performance and the resilience, determination and dedication of our staff and freelancers in the face of the disruptions created by the emergence of the Omicron variant in Q1 as well as heightened inflation and an incipient cost of living crisis that proved challenging for audience confidence (critical to our ability to trade and generate income). We remain incredibly grateful to all those who worked tirelessly over the year on our productions and operations, as well as to the Culture Recovery Fund (*CRF*), from whom a further £1.5m loan tranche was drawn down in March 2022 that provided a crucial source of support.

Shortly prior to the period beginning on 1 October, we had completed a run of the new play *Bach & Sons*, with Simon Russell Beale in the lead, our first full scale production since the start of the pandemic. While legal capacity restrictions had been removed at this point, audience confidence remained low and, despite rigorous testing measures, the impact of cast illness and isolating continued to prove challenging. This would continue to be the case throughout the autumn and winter. We were disappointed not to draw stronger attendances for the short run of the UK premiere of Suzan-Lori Parks' *White Noise* in October 2021 but remained confident in our programming of Philip Pullman's *La Belle Sauvage - Book of Dust* over the Christmas period. However, with the emergence of Omicron and public uncertainty over whether another lockdown would be announced before the end of the year, advance bookings – already significantly lower than we would have anticipated – dropped off entirely; and with the loss of 11 performances through cast and crew illness, the production was only able to cover its costs. Following a quieter autumn, this had led to a rapid depletion of the funds drawn from the CRF in February 2021. Notwithstanding cost savings made across the business, the impact on audiences and the swift disappearance of a stable box office advance meant that we were compelled to enter cash conservation mode and submitted an application to the CRF for further support at the start of 2022.

The early part of 2022 saw the slow emergence from this damage into recovery, as audiences started to return in mid-January, though this was too late to restore the initially anticipated contribution for *Book of Dust*, which closed at the end of February ahead of a scheduled dark period for a changeover to our next production, David Hare's *Straight Line Crazy* with Ralph Fiennes. This proved one of our most successful productions since opening the Bridge, running for 14 weeks till early summer, exceeding budgetary expectations and also being set up a New York transfer in late 2022 that has yielded a significant profit share in financial year 2022/23. The production sold over 85,000 tickets across its 109 performances and took over £4m net in box office income, helping to mitigate the damage of the first half of the year and to compensate for an increase in our cost base (in particular for utilities in the current market, and for FOH staffing, paid at the London Living Wage). Our cash position had been eased with the further CRF tranche, which enabled strategic focus on the future, with advancement of plans for a "immersive" format *Guys and Dolls* in an extended run from early 2023, a key move that we hoped would generate a strong stream of income to help cover our debt obligations; and management focus on closing the initial investment round on the Lightroom project which has occupied the space at King's Cross from early 2023, in which LTC has a 33.3% stake (completion in August 2022 saw over £1.1m in capital amounts forward funded being remitted to LTC).

Q4 was slower. *The Southbury Child* was presented in a co-production with Chichester Festival Theatre, which helped to defray some of the capitalisation costs. Despite popular reception by audiences and some strong reviews, however, attendances were low, at 43%. Similarly, *John Gabriel Borkman*, which opened towards the end of September 2022, was not able to find an audience in the current climate and performed to 37%. Some careful control of costs helped mitigate this, though several weeks dark at the start of September before *Borkman* also impacted on the quarterly performance, also reducing the total number of performances in the year to 326.

Total gross ticket sales over the year remained significantly lower than pre-pandemic levels at £6.98m; although neither 2019/20 nor 2020/21 full year results provide helpful comparisons given the impact of Covid on both, it is worth noting that between 1 October 2019 and the mid-March 2020 lockdown, there had been 163 performances, generating gross sales of £4.96m; and in 2018/19, the last full year before the pandemic, there had been 307 performances and over £10m in gross sales. Theatre tax credits are also a significant contributor to our financial model, and increased activity, along with the enhanced rate applicable for the second half of the year, meant a claim for the year of £958k (2020/21: £225k).

Trading operations had been hit relatively hard in FY 2020/21 by extended closures and the subsequent need to adjust to operating in a Covid-secure landscape, which saw a more limited bar and food offering being made available. It took until *Straight Line Crazy*, when audiences were more confident to return in greater numbers, for sales to pick up. Food and bar sales of £839k for the year were a marked improvement on 2020/21 (£197k) but remained short of what we would have wished (in 2019/20, half of which was impacted by Covid lockdowns, there were £534k sales). Events income remained minimal (£14k, compared to £115k in the first half of 2019/20 pre-pandemic).

With the box office results noted above alongside a full-scale rate of production comparable to pre-pandemic years, an increased cost base due to high rates of inflation and energy costs and the absence of support previously realised through Government initiatives such as the furlough scheme, it is unsurprising that the overall annual operating loss was greater than 2020/21, at £3.27m (2020/21: £2.86m). That said, and despite ongoing cost pressures - we remain alert to the impact of the cost of living crisis on those with whom we work and our ability to attract and retain them - we remain buoyant about the future prospects for London Theatre Company as an entrepreneurial and inventive organisation. These are challenging times, and likely to remain so for the foreseeable future, but the Bridge is popular, flexible and capacious and can produce effectively and economically. It has proved particularly successful, critically and financially, when playing in an immersive format, with audience and actors sharing the space, a fact that has been demonstrated again by the great critical and public acclaim that has greeted Nicholas Hytner's new production of *Guys and Dolls*, which opened in March 2023 and has since extended its run to February 2024. We are actively engaged in considering the further life for the production and what further scope there may be to maximise the value we have discovered in the auditorium's format. Meanwhile, our joint venture Lightroom opened its doors at our King's Cross space with *Bigger and Closer (not smaller and further away)*, a show created with David Hockney, which has also proven a great success, drawing over 67,000 attendances in its first month.

Principal risks and uncertainties

Commercial risk & financial sustainability

The Group's principal risk is a downturn in theatre attendance and the failure to achieve box office targets, through programming, weak productions or – as was apparent with the impact of the Covid-19 pandemic on the past couple of years – the wider impact of the economic climate on the theatre-going public.

The impact of other social and political factors is also a risk here, in particular the longer term impact of Covid on the economy and audience confidence, the effect of inflation and the ongoing impact of Brexit not only on our cost base but on our audiences and customers.

Financial risk also impacts us in the context of the requirement to repay the Culture Recovery Fund loan.

Whilst theatre attendances have historically weathered economic downturns, we are committed to attracting customers with distinctive and high-quality productions; and our revised strategy for the Bridge in future years puts significant weight on the uniqueness of the theatre's auditorium. We are confident that our investment in developing new shows should help to mitigate the impact of market uncertainties, enabling us to take a longer-term strategic view.

Further mitigation comes through annual budgeting, monthly management reporting, regular reviews of pricing strategy and reviews of our business model with our board.

Cash flow risk

The Group is reliant upon advance box office to support positive cash flow. This risk is monitored regularly. The receipt of the Group's loans from the Culture Recovery Fund (given their maturity profiles) has helped to ensure longer-term cash flow stability.

Credit risk

Credit risk is mitigated as the Group largely operates its own ticketing, with sales to the general public settled at the point of purchase and low credit risk on its merchant provider. A small number of sales are made via third party agents, though strong contractual protection and close monitoring of debtors limits risk.

Health, safety & security risk

The Group mitigates the inherent risks of theatre production and presentation (e.g. manual handling) and the challenges of operating a busy public venue through a robust management and reporting structure for safety issues, staff training and investigation of near misses and incidents, drawing on specialist external support where required. Significant work has been done on Covid-safe operational protocols.

Financial key performance indicators

The Group considers its key performance indicators to be turnover and profit before tax. Details of these can be found on page 10 of these financial statements.

Other key performance indicators

The directors also examine the performance and position of the business by reference to a range of non-financial metrics, including productions and overall performance numbers, attendances and occupancy (touched upon above) and total ticket sales.

This report was approved by the board and signed on its behalf.

N F Starr
Director

Date: 29 June 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their report and the audited financial statements for the year ended 30 September 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these audited financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

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.

Results and dividends

The loss for the year, after taxation, amounted to £2,311,631 *(2021 - loss £2,866,135).*

Directors

The directors who served during the year were:

J D S Booth
L M Dorfman
N R Hytner
N F Starr
G H Weston
T Yeung Siu Tung

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, BKL Audit LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

N F Starr
Director

Date: 29 June 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON THEATRE COMPANY HOLDINGS LIMITED

Opinion

We have audited the financial statements of London Theatre Company Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2022 and of the Group's loss 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 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 opinion.

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 Group's or 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON THEATRE COMPANY HOLDINGS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 set out on page 4, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 Group financial statements .

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:

- Enquiring of management around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risks of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness

of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Auditors' 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.

Myfanwy Neville FCA (Senior Statutory Auditor)

for and on behalf of
BKL Audit LLP

Chartered Accountants
Statutory Auditor

29 June 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	*2021* *£*
Turnover	4	**8,356,379**	*4,191,748*
Cost of sales		**(5,651,458)**	*(2,957,625)*
Gross profit		**2,704,921**	*1,234,123*
Charitable donation		**-**	*(300,000)*
Administrative expenses		**(6,220,242)**	*(4,232,005)*
Other operating income	6	**454,179**	*577,344*
Operating loss	7	**(3,061,142)**	*(2,720,538)*
Share of profit of joint venture		**(99)**	*-*
Total operating loss		**(3,061,241)**	*(2,720,538)*
Interest receivable and similar income		**915**	*206*
Interest payable and similar expenses	11	**(208,922)**	*(160,774)*
Loss before taxation		**(3,269,248)**	*(2,881,106)*
Tax on loss	12	**957,617**	*14,971*
Loss for the financial year		**(2,311,631)**	*(2,866,135)*
(Loss) for the year attributable to:			
Owners of the parent Company		**(2,311,631)**	*(2,866,135)*
		(2,311,631)	*(2,866,135)*

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 17 to 41 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	13		-		26,595
Tangible assets	14		14,549,577		14,979,744
Investments	15		1		-
			14,549,578		15,006,339
Current assets					
Stocks		13,795		16,875	
Debtors	16	2,563,660		1,471,448	
Cash at bank and in hand		1,930,539		2,000,679	
		4,507,994		3,489,002	
Creditors: amounts falling due within one year	17	(4,948,958)		(3,953,902)	
Net current liabilities			(440,964)		(464,900)
Total assets less current liabilities			14,108,614		14,541,439
Creditors: amounts falling due after more than one year	18		(7,824,944)		(5,959,521)
Net assets			6,283,670		8,581,918
Capital and reserves					
Called up share capital	20		885		885
Share premium account	21		15,999,135		15,999,135
Capital redemption reserve	21		15		15
Other reserves	21		63,650		50,267
Profit and loss account	21		(9,780,015)		(7,468,384)
			6,283,670		8,581,918

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

N F Starr
Director

Date: 29 June 2023

The notes on pages 17 to 41 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Investments	15		**104**		*104*
			104		*104*
Current assets					
Debtors	16	**22,238,350**		*20,777,583*	
Cash at bank and in hand		**1,358,963**		*1,553,494*	
		23,597,313		*22,331,077*	
Creditors: amounts falling due within one year	17	**(1,452,415)**		*(1,577,554)*	
Net current assets			**22,144,898**		*20,753,523*
Total assets less current liabilities			**22,145,002**		*20,753,627*
Creditors: amounts falling due after more than one year	18		**(6,683,657)**		*(5,061,095)*
Net assets			**15,461,345**		*15,692,532*
Capital and reserves					
Called up share capital	20		**885**		*885*
Share premium account	21		**15,999,135**		*15,999,135*
Capital redemption reserve	21		**15**		*15*
Other reserves	21		**63,650**		*50,267*
Profit and loss account			**(602,340)**		*(357,770)*
			15,461,345		*15,692,532*

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

N F Starr
Director

Date: 29 June 2023

The notes on pages 17 to 41 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Called up share capital	Share premium account	Capital ɘdemption reserve	Other reserves	Profit and loss account	Equity ttributable to owners of parent Company	Total equity
	£	£	£	£	£	£	£
At 1 October 2020	885	15,999,135	15	36,884	(4,602,249)	11,434,670	11,434,670
Loss for the year	-	-	-	-	(2,866,135)	(2,866,135)	(2,866,135)
Credit relating to equity-settled share based payment	-	-	-	13,383	-	13,383	13,383
At 1 October 2021	885	15,999,135	15	50,267	(7,468,384)	8,581,918	8,581,918
Loss for the year	-	-	-	-	(2,311,631)	(2,311,631)	(2,311,631)
Credit relating to equity-settled share based payment	-	-	-	13,383	-	13,383	13,383
At 30 September 2022	885	15,999,135	15	63,650	(9,780,015)	6,283,670	6,283,670

The notes on pages 17 to 41 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 October 2020	**885**	**15,999,135**	**15**	**36,884**	**(168,487)**	**15,868,432**
Loss for the year	-	-	-	-	(189,283)	(189,283)
Credit relating to equity-settled share based payment	-	-	-	13,383	-	13,383
At 1 October 2021	**885**	**15,999,135**	**15**	**50,267**	**(357,770)**	**15,692,532**
Loss for the year	-	-	-	-	(244,570)	(244,570)
Credit relating to equity-settled share based payment	-	-	-	13,383	-	13,383
At 30 September 2022	**885**	**15,999,135**	**15**	**63,650**	**(602,340)**	**15,461,345**

The notes on pages 17 to 41 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(2,311,631)	(2,866,135)
Adjustments for:		
Amortisation of intangible assets	26,595	28,899
Depreciation of tangible assets	490,056	476,422
Loss on disposal of tangible assets	-	415
Government grants	(6,000)	-
Interest paid	208,922	160,774
Interest received	(915)	(206)
Taxation charge	(957,617)	(14,971)
Decrease in stocks	3,080	-
(Increase) in debtors	(149,469)	(134,323)
Increase/(decrease) in creditors	1,385,557	(428,427)
Increase in amounts owed to join ventures	100	-
Share of operating profit in joint ventures	99	-
Corporation tax received	-	329,833
Decrease/(Increase) in stocks	3,080	(6,766)
Income received under the Coronavirus Job Retention Scheme	-	(525,492)
Net cash generated from operating activities	(1,308,143)	(2,979,977)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(20,000)
Purchase of tangible fixed assets	(1,027,755)	(518,173)
Sale of tangible fixed assets	967,865	(415)
Government grants received	6,000	525,492
Purchase of fixed asset investments	-	(1)
Purchase of share in joint ventures	(100)	-
Interest received	915	206
Net cash from investing activities	(53,075)	(12,891)
Cash flows from financing activities		
Other new loans	1,500,000	-
Interest paid	(208,922)	(160,774)
Receipt of Culture Recovery Fund loan	-	5,000,000
Repayment of shareholders loan	-	(180,000)
Net cash used in financing activities	1,291,078	4,659,226
Net (decrease)/increase in cash and cash equivalents	(70,140)	1,666,358
Cash and cash equivalents at beginning of year	2,000,679	334,321

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £	2021 £
Cash and cash equivalents at the end of year	**1,930,539**	*2,000,679*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**1,930,539**	*2,000,679*
	1,930,539	*2,000,679*

The notes on pages 17 to 41 form part of these financial statements.

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 7 Savoy Court, London, WC2R 0EX.

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 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2. Accounting policies (continued)

2.3 Going concern

The directors have assessed whether the Company and the Group have adequate resources to meet their obligations as they fall due and beyond the 12 months from the date of the approval of these financial statements, considering in particular the challenges that the past 2 years have posed for the Company and the wider Group's activities.

The Group made a loss for the year of £2,311,631 and had, as at the Statement of Financial Position date, a net asset position of £6,283,670. The Company has an outstanding shareholder loan, advanced pre-pandemic to facilitate cash flow management, as well as £6.5m in debt from the Culture Recovery Fund (£5m advanced in 2021 and a second tranche of £1.5m in 2022). Monthly repayments of the second £1.5m tranche do not start until early 2024, with repayments on the £5m original loan deferred until early 2025. In addition to this additional external support, the Company will not call in any amounts due from its subsidiaries until the Culture Recovery Fund and external shareholder loans are due for repayment at the earliest, but in reality, will not call these debts in at any time that would prejudice its subsidiaries to make the repayments. In addition, the Culture Recovery Fund have confirmed that their intention is to support cultural organisations such as London Theatre Company.

From early during the pandemic, the board have continued to review scenario planning and financial modelling on an ongoing basis, and this has informed planning for 2023 and for 2024. Specifically, the new production of *Guys and Dolls* that opened to great success in March 2023 has been extended to run to February 2024, which should maximise the potential for cash generation.

Alongside the activity at The Bridge, the Group has opened Lightroom, an immersive projected art experience in its space at King's Cross in February 2023, for which further external investment was raised in August 2022. This will defray some of the Group's operating costs, and provide an ongoing management fee income, as well as the potential for future dividends. The Group has sub-leased the King's Cross theatre to Lightroom until late 2026.

In light of all the above, the directors have prepared these accounts on a going concern basis.

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

Sale of tickets

Revenue from ticket sales is recognised on the date of the performance for which the tickets were purchased.

Membership sales

Revenue from membership sales accrues evenly over the period of membership.

Cinema streaming

Revenue from cinema streaming is recognised on the date the income is received and settled by the broadcast partner.

Other income

Other income relates to food, beverage and merchandise sales. Revenue is recognised at the point of sale.

Other income also relates to management recharges for services incurred on behalf of group companies. Revenue is recognised at the point the service is provided.

Other income also relates to co-production income that relates to productions created with other production companies. Revenue is recognised when the performance obligations of the contracts have been met.

BBC Production income

Income in relation to the BBC production contract is recognised in accordance with the various phases of the project as detailed in the legal agreement.

Foreign transmission income

Income from the foreign transmission of the Talking Heads productions is recognised on receipt under the relevant distribution contract.

Theatre commission income

Revenue is recognised on a production by production basis, on the date of the press night, as this is when the Company has fulfilled its obligation under the terms of the production commissioning agreement

2. Accounting policies (continued)

2.6 Coronavirus Job Retention Scheme income and expenditure

Furlough income is receivable as compensation for salary expenses already incurred and to give immediate financial support to the Company with no future related costs. This income is recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic have been recognised on a systematic basis over the periods that the change in lease payments is intended to compensate. This is conditional on:

- the change in lease payments resulting in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change;
- any reduction in lease payments affecting only payments originally due on or before 30 June 2022;
- there being no significant change to other terms and conditions of the lease.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.9 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income 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 Group in independently administered funds.

2. Accounting policies (continued)

2.11 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 Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting 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 Group 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 the Statement of Comprehensive Income over the remaining vesting period.

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

The Group 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.

2.12 Taxation

Tax is recognised in the Statement of Comprehensive Income 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 and the Group operate and generate 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.

2. Accounting policies (continued)

2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.14 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.

The Group 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 Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

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:

Leasehold improvements	- 5-50 years straight line
Fixtures and fittings	- 3-50 years straight line
Computer equipment	- 3 year straight line
Theatre techincal equipment	- 5 year straight line

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 Comprehensive Income.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.16 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.17 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.

2.18 Production costs

Production costs, including rehearsal costs, are recognised in the Consolidated Statement of Comprehensive Income on the date of the press night performance, on the assumption that the production income is expected to exceed the costs incurred.

Should costs be incurred in excess of what is expected to be recouped through box office sales, these costs are then expensed immediately to the Consolidated Statement of Comprehensive Income.

2.19 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2. Accounting policies (continued)

2.20 Financial instruments

The Group 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.

3. Judgements in applying accounting policies 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. Estimates and judgements 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 judgements (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 2.11 and note 22.

(ii) Useful economic life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property, plant and equipment and accounting policy 2.14 for the useful economic lives for each class of assets.

(iii) Useful economic life of intangible assets

The annual amortisation charge for intangible assets is sensitive to technological advances. The useful economic life of the capitalised website costs is reassessed annually and is amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the changing need for the website's offering. See note 13 for the carrying amount of the website costs and accounting policy 2.13 for the useful economic lives for each class of assets.

(iv) Recognition of a deferred tax asset

A deferred tax asset is recognised in these financial statements arising from accumulated trading losses that will be used against future profits. The extent to which this asset is recognised is based on an estimation of expected future profits, calculated using the most recent cashflow forecasts projections prepared by management. The estimation of these is therefore judgemental by nature. See note 12 for the value of the deferred tax asset recognised and accounting policy 2.12 for the recognition of the asset.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Box office income	**6,984,192**	*2,118,530*
Cinema streaming income	**118,771**	*14,575*
Membership income	**91,430**	*102,868*
Bar and food income	**838,706**	*196,677*
BBC production income	**186,559**	*1,728,054*
Event income	**14,050**	*4,000*
Trading and other income	**122,671**	*27,044*
	8,356,379	*4,191,748*

All turnover arose within the United Kingdom.

5. Charitable donation

	202
NHS Charities Together	**300,00**
	300,00

The above donation was a result of the activity of a newly formed subsidiary, LTC Talking Heads Limited. The Company was established at the start of the Covid pandemic to produce a remake of Alan Bennett's original Talking Heads monologues, together with two new pieces, in accordance with social distancing rules, with its collective of writer, actors, directors, producer and heads of department waiving usual fees to facilitate a donation of over £1m to NHS Charities Together. The prior year donation was the continuation of the charitable donation due to the continuing pandemic. As this was not a requirement under the original agreement, the creative pool agreed to donate to the Theatre Artists Fund, as well as NHS Charities Together.

A further donation was not made in the current donation as the Company is solely operating now to receive residual foreign transmission commissions.

6. Other operating income

	2022	2021
	£	£
Other operating income	101,980	11,852
Government grants receivable	6,000	525,492
Sundry income	104,177	-
Fees receivable	242,022	40,000
	454,179	577,344

7. Operating loss

The operating loss is stated after charging:

	2022	2021
	£	£
Amortisation	26,595	28,899
Depreciation	490,056	476,421
Other operating lease rentals	777,170	405,625
Share based payment	13,383	13,383

8. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	10,960	10,950

Fees payable to the Group's auditor and its associates in respect of:

Audit-related assurance services	43 740	39,235
Taxation compliance services	8 800	8,000
All other services	11 850	1,300
	64,390	48,535

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Wages and salaries	**4,131,317**	*2,134,919*	**-**	-
Social security costs	**268,580**	*175,270*	**-**	-
Cost of defined contribution scheme	**46,339**	*32,924*	**-**	-
	4,446,236	*2,343,113*	**-**	-

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022 No.	*Group 2021 No.*	**Company 2022 No.**	*Company 2021 No.*
Front of house	**97**	*77*	-	-
Head office	**37**	*34*	6	*6*
	134	*111*	6	*6*

10. Directors' remuneration

The highest paid director received remuneration of £137,700 *(2021 - £105,325)*.

11. Interest payable and similar expenses

	2022 £	*2021 £*
Other loan interest payable	**208,922**	*160,774*
	208,922	*160,774*

12. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	(957,617)	(224,971)
	(957,617)	(224,971)
Total current tax	(957,617)	(224,971)
Deferred tax		
Origination and reversal of timing differences	-	210,000
Total deferred tax	-	210,000
Taxation on loss on ordinary activities	(957,617)	(14,971)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2021 - higher than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	2022	2021
	£	£
Loss on ordinary activities before tax	(3,269,150)	(2,881,106)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(621,139)	(547,410)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	108,065	2,853
Capital allowances for year in excess of depreciation	218,520	17,055
Theatre tax credits receivable	(957,617)	(224,971)
Group relief	-	7,830
Remeasurement of deferred tax for changes in tax rates	(40,464)	(425,289)
Adjustments to tax charge in respect of prior periods	-	28,808
Movement in deferred tax not recognised	361,618	1,126,153
Other tax adjustments	(26,600)	-
Total tax charge for the year	(957,617)	(14,971)

12. Taxation (continued)

Factors that may affect future tax charges

A deferred tax asset in relation to accumulated losses has been recognised in previous years to the extent that future projections and forecasts indicated that it will be used in the foreseeable future, which for the purpose of this estimate is within the next five years. Each year, projections and forecasts are reviewed to ensure any deferred tax asset recognised is reasonable in light of the Company's ability to use this against future profits in the foreseeable future. No deferred tax asset has been recognised for 2022.

Total group losses carried forward amount to £13.7m (2021: £13.8m) that can be offset against future taxable profits.

13. Intangible assets

Group and Company

	Development expenditure £
Cost	
At 1 October 2021	**184,497**
At 30 September 2022	**184,497**
Amortisation	
At 1 October 2021	**157,902**
Charge for the year	**26,595**
At 30 September 2022	**184,497**
Net book value	
At 30 September 2022	**-**
At 30 September 2021	*26,595*

14. Tangible fixed assets

Group

	Long-term leasehold property	Fixtures and fittings	Leasehold Improvements	Computer equipment
	£	£	£	£
Cost or valuation				
At 1 October 2021	14,305,733	438,399	1,329,664	89,403
Additions	-	34	971,186	14,721
Disposals	-	-	(967,865)	-
At 30 September 2022	14,305,733	438,433	1,332,985	104,124
Depreciation				
At 1 October 2021	1,048,670	293,147	-	63,980
Charge for the year	274,737	77,886	-	17,099
At 30 September 2022	1,323,407	371,033	-	81,079
Net book value				
At 30 September 2022	12,982,326	67,400	1,332,985	23,045
At 30 September 2021	*13,257,063*	*145,252*	*1,329,664*	*25,423*

14. Tangible fixed assets (continued)

	Other fixed assets	Total
	£	£
Cost or valuation		
At 1 October 2021	**587,892**	**16,751,091**
Additions	**41,814**	**1,027,755**
Disposals	**-**	**(967,865)**
At 30 September 2022	**629,706**	**16,810,981**
Depreciation		
At 1 October 2021	**365,551**	**1,771,348**
Charge for the year	**120,334**	**490,056**
At 30 September 2022	**485,885**	**2,261,404**
Net book value		
At 30 September 2022	**143,821**	**14,549,577**
At 30 September 2021	*222,341*	*14,979,743*

15. Fixed asset investments

Company

	Investments in subsidiary companies	Investment in joint ventures	Total
	£	£	£
Cost			
At 1 October 2021	104	-	104
Additions	-	100	100
Disposals	(1)	-	(1)
Share of profit/(loss)	-	(99)	(99)
At 30 September 2022	103	1	104

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
London Theatre Company Productions Limited	7 Savoy Court, London, WC2R 0EX	Ordinary	100 %
LTC Talking Heads Limited	7 Savoy Court, London, WC2R 0EX	Ordinary	100 %
LTC OTB Limited	7 Savoy Court, London, WC2R 0EX	Ordinary	100 %
LTC KX Limited	7 Savoy Court, London, WC2R 0EX	Ordinary	100 %
KX Lightroom Limited	7 Savoy Court, London, WC2R 0EX	Ordinary	100 %

KX Lightroom Limited was dissolved post year end, therefore the investment in the subsidiary was written off in the year end 30 September 2022.

Indirect subsidiary undertaking

The following was an indirect subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
London Theatre Company Staging Limited	7 Savoy Court, London, WC2R 0EX	Ordinary	100 %

Participating interests

During the year, the Company purchased 100 £1 shares in a joint venture, Lightroom KX Limited.

For the year ended 30 September 2022, the joint venture made a loss of £762,700, therefore the value of the investment was impaired to £1. The Group does not have a legal or constructive obligation to make good any losses regarding the joint venture other than the underlease commitment of the Kings Cross theatre.

16. Debtors

	Group 2022 £	*Group 2021 £*	Company 2022 £	*Company 2021 £*
Due after more than one year				
Other debtors	**25,000**	*25,000*	-	-
	25,000	*25,000*	-	-
Due within one year				
Trade debtors	**195,875**	*36,044*	-	-
Amounts owed by group undertakings	-	-	**22,238,148**	*20,776,199*
Other debtors	**409,332**	*842,784*	**15**	*15*
Prepayments and accrued income	**1,633,432**	*544,620*	**94**	*1,369*
Amounts recoverable on long term contracts	**276,928**	-	-	-
Tax recoverable	**23,093**	*23,000*	**93**	-
	2,563,660	*1,471,448*	**22,238,350**	*20,777,583*

Amounts owed by group undertakings due in less than one year are unsecured, interest-free, have no fixed repayment date and are repayable on demand.

17. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	**663,472**	*558,444*	**1,392**	-
Amounts owed to group undertakings	-	-	**217,468**	*182,151*
Amounts owed to joint ventures	**100**	-	**100**	-
Other taxation and social security	**71,389**	*69,597*	**3,455**	*3,183*
Other creditors	**1,793,642**	*1,464,902*	**1,200,000**	*1,380,000*
Accruals and deferred income	**2,420,355**	*1,860,959*	**30,000**	*12,220*
	4,948,958	*3,953,902*	**1,452,415**	*1,577,554*

Amounts owed to group undertakings are unsecured, interest-free, have no fixed repayment date and are repayable on demand.

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Other loans	**6,500,000**	*5,000,000*	**6,500,000**	*5,000,000*
Other creditors	**183,657**	*61,095*	**183,657**	*61,095*
Accruals and deferred income	**1,141,287**	*898,426*	-	-
	7,824,944	*5,959,521*	**6,683,657**	*5,061,095*

In February 2021, the Company drew down £5m from the Culture Recovery Fund. The first repayment of this loan is not due until February 2025, and then will subsequently be repaid in 13 equal instalments. The balance accrues interest at 2% p.a.

In March 2022, the Company drew down a further £1.5m from the Culture Recovery Fund. The first repayment of this loan is not due until March 2024, and then will subsequently be repaid in 13 equal instalments. The balance accrues interest at 3% p.a.

19. Loans

	Group 2022 £	*Group 2021 £*	Company 2022 £	*Company 2021 £*
Amounts falling due 1-2 years				
Other loans	**250,080**	*-*	**250,080**	*-*
Amounts falling due 2-5 years				
Other loans	**3,088,886**	*-*	**3,088,886**	*-*
Amounts falling due after more than 5 years				
Other loans	**3,161,034**	*5,000,000*	**3,161,034**	*5,000,000*
	6,500,000	*5,000,000*	**6,500,000**	*5,000,000*

20. Share capital

	2022 £	*2021 £*
Allotted, called up and fully paid		
513,750 *(2021 - 513,750)* A Preference shares of £0.001 each	**514**	*514*
371,250 *(2021 - 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.

21. Reserves

Share premium account

The share premium reserve includes all amounts paid over and above par value for shares issued in the Company.

Other reserves

Other reserves consist of the unwinding of the fair value of share options issued as part of the share-based payment scheme run by the Company.

Profit and loss account

Includes all current period retained profits and losses.

22. Share based payments

The Company offers a share-based payment scheme for some of its employees.

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 and are equity settled. The vesting conditions are split evenly between the date of grant, date of opening and upon and exit event.

A reconciliation of share option movements over the year to 30 September 2022 is shown below

	Weighted average exercise price (pence) 2022	**Number 2022**
Outstanding at the beginning of the year	**7.99**	**60,000**
Outstanding at the end of the year		**60,000**

The total number of share options exercisable at the end of the period was 20,000 (2021: 20,000).

The total charge for the year in respect of these share-based payments was £13,383 (2021: £13,383).

The charge is treated as an expense in the financial statements of London Theatre Company Productions Limited, a company whose results are consolidated within these financial statements. 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

	2022
Fair value at grant date	**2.35**
Share price at grant date	**7.99**
Exercise price (pence)	**7.99**
Option life	**10 years**
Expected volatility	**Up to 20%**
Expected dividend	**None**
Risk-free interest rate	**1.27%**

22. Share based payments (continued)

Warrants

In 2017 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).

23. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions totalling £21,397 (2021: £12,342) were payable to the fund at the Statement of Financial Position date and are included in creditors. The pension cost charge represents contributions payable by the Group and amounted to £78,582 (2021: £38,721).

24. Commitments under operating leases

At 30 September 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	*Group 2021 £*
Not later than 1 year	**639,096**	*522,438*
Later than 1 year and not later than 5 years	**2,994,167**	*1,840,000*
Later than 5 years	**23,574,178**	*18,515,945*
	27,207,441	*20,878,383*

The following changes in lease payments arising from rent concessions occurring as a direct consequence of the COVID-19 pandemic have been recognised as a reduction in expense in profit or loss.

	Group 2022 £	*Group 2021 £*
Changes in lease payments arising from COVID-19 related rent concessions	**-**	*113,973*

25. Related party transactions

Where possible the Company and Group have taken advantage of the exemption conferred by FRS 102 sesction 33.1A from the requirement to disclose transactions with other wholly owned group undertakings on the grounds that the consolidated financial statements are prepared by the parent undertaking and are publicly available.

Key management personnel were paid remuneration of £358,275 (2021: £346,234).

Governance costs were paid to directors of the Company of £48,750 (2021: £34,446).

Loans due to shareholders were included in other creditors and amount to £1,200,000 (2021: £1,380,000). These amounts accrued interest at 6%.