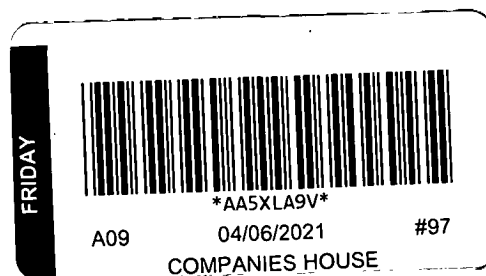


Registered number: 09073223

LONDON THEATRE COMPANY HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020



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	Berg Kaprow Lewis LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW

LONDON THEATRE COMPANY HOLDINGS LIMITED

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LONDON THEATRE COMPANY HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2020 (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 third year of operations at the Bridge.

Prospects in the first half of the financial year felt positive, as the Group moved from a challenging second year towards greater organisational and operational maturity, with the arrival of a further co-director strengthening its creative development potential. Attendances had neared 124,000, with physical occupancy showing a slight like-for-like increase at 85.9% (against 85.4% for 2018/19 and 82.3% for 2017/18).

In common with theatres across the country, however, the Group's ability to deliver its core activities of live performances was curtailed when the Bridge was forced to close to limit the spread of Covid-19 on 16 March 2020. The postponement and/or cancellation of productions resulted in 55% of annual budgeted income disappearing, with a severe impact on the Group's finances that could not be covered by its business interruption insurance. Despite the unprecedented challenges presented by the pandemic, however, the Group was able to manoeuvre swiftly to ensure the continued viability and operation of the business, and is grateful to its investors, key suppliers and audiences for their continued support throughout the period.

Key employees worked remotely to maintain the basic running of the Company including financial management, payroll, modelling, retaining audience relationships and securing and maintaining the Bridge. The executive pivoted in its planned producing activity, diversifying the Group's activities by producing for BBC One an acclaimed remake of Alan Bennett's Talking Heads, whose collective of writer, actors, directors, producer and heads of department waived usual fees except for a single 'furlough' payment each and were thus able to donate over £1m to NHS Charities Together. At the same time, steps were taken to control and rationalise costs and manage the cash flow pressures presented by the need to refund tickets for postponed/cancelled performances. Some administrative and operational roles were made redundant, discretionary spending frozen and a moratorium placed on all non-essential capital investment and maintenance work, with further design work on the Group's second theatre at King's Cross being paused. The executive took significant voluntary pay cuts. Full use was made of Government initiatives, with the majority of employees furloughed under the Coronavirus Job Retention Scheme (which amounted to £701k in support for staffing costs), and further support realised through the temporary reduction of VAT on theatre tickets, VAT deferral and the business rates holiday scheme, as well as a PAYE time-to-pay arrangement with HMRC. A six-month rent-free concession on the Bridge was negotiated, alongside the suspension of non-essential payments with suppliers and reductions and delays in invoice settlement to enable cash flow management.

The Bridge was among the first theatres to reopen when the government relaxed rules in August 2020 to permit live performances subject to social distancing rules, delivering a 10-week season of a diverse repertoire showcasing both home-produced shows and the work of other theatre companies, with revised Covid-secure operational protocols. The season ran beyond the end of the financial year presented in these accounts and had just concluded at the time of the second government mandated lockdown in November 2020. With three performances daily, the season comprised 148 performances, with over 28,500 attendances achieving an overall occupancy of 76% (occupancy to the end of the period reflected in these accounts was 68%).

Overall, while income was down by £2.8m against 2018/19, reductions in production costs operational costs limited the annual operating loss to £2.2m (2018/19: operating loss of £1.6m). Notwithstanding the annual result, the Group's pipeline of future projects remains strong and prospects for the future are positive.

LONDON THEATRE COMPANY HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 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 speed with which the sector is able to recover from the Covid-19 pandemic and reattract audiences once fuller capacities are permitted; and the as yet uncertain impact of Brexit on the economy. Whilst theatre attendances have historically weathered economic downturns, the Group is committed to attracting customers with distinctive and high-quality productions. A significant investment in developing new shows and a strong pipeline of commissions helps to mitigate the impact of market uncertainties, enabling the Group to take a longer-term strategic view.

Cash flow risk

The Group is reliant upon advance box office to support positive cash flow. This risk is monitored regularly and the company has control over when future productions are announced and put on sale, allowing a degree of flexibility in managing cash flow. The receipt of the Group's loan from the Culture Recovery Fund should 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.

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.

Occupancy figures have been touched upon above, though in light of the disruption presented by the pandemic, the directors regard the other metrics as of limited utility in assessing the period presented in these accounts.

LONDON THEATRE COMPANY HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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



N F Starr
Director

Date: May 29, 2021

LONDON THEATRE COMPANY HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their report and the financial statements for the year ended 30 September 2020.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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' ('FRS102'). 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 the Group and of the profit or loss of the Group for that period.

In preparing these 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 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 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 £1,875,088 (2019 - loss £1,096,787).

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

LONDON THEATRE COMPANY HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

Future developments

With the creative strengthening of the management team during the financial year, the directors remain optimistic about the continued growth of the business in future years. The year saw some key steps being taken in the diversification of the Group's activities within the live entertainment space. Whilst Covid-19 has resulted in a delay in the timeline for the build project for the Group's second theatre at King's Cross (as well as in raising funds for this, which the executive had initially anticipated doing during the second half of the 2019/20 financial year but which proved impossible due to the emergence of the pandemic), the executive remains confident in the longer-term health of the business plan and has been actively assessing options to reimagine how the market access afforded by the prospect of its second theatre might best be exploited.

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.

Post balance sheet events

The Covid-19 pandemic saw further government-mandated closures of the Bridge during November 2020 and from mid-December 2020, which resulted in the loss of anticipated income over the period as well as further cash flow pressure due to the requirement to refund tickets for cancelled performances.

The directors anticipate cash flow pressure being significantly eased with receipt in February 2021 of the long-term loan of £5m for which a successful application was made to the Culture Recovery Fund in autumn 2020.

Auditors

Under section 487(2) of the Companies Act 2006, Berg Kaprow Lewis 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: May 29, 2021

LONDON THEATRE COMPANY HOLDINGS LIMITED

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 2020, 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 2020 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

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 Group's or the parent 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.

LONDON THEATRE COMPANY HOLDINGS LIMITED

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 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

LONDON THEATRE COMPANY HOLDINGS LIMITED

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

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.

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.

LONDON THEATRE COMPANY HOLDINGS LIMITED

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

Myfanwy Neville FCA (Senior Statutory Auditor)

for and on behalf of

Berg Kaprow Lewis LLP

Chartered Accountants
Statutory Auditor

Date: May 29, 2021

LONDON THEATRE COMPANY HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	2020 £	As restated 2019 £
Turnover	4	7,397,859	10,238,684
Cost of sales		(4,228,560)	(5,952,130)
Gross profit		3,169,299	4,286,554
Charitable donation		(1,147,406)	-
Administrative expenses		(4,936,327)	(6,013,575)
Other operating income	6	756,452	128,436
Operating loss	7	(2,157,982)	(1,598,585)
Interest receivable and similar income		530	1,104
Interest payable and expenses	11	(65,029)	(13,501)
Loss before taxation		(2,222,481)	(1,610,982)
Tax on loss	12	347,393	514,195
Loss for the financial year		(1,875,088)	(1,096,787)
(Loss) for the year attributable to:			
Owners of the parent Company		(1,875,088)	(1,096,787)
		(1,875,088)	(1,096,787)

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 18 to 39 form part of these financial statements.

LONDON THEATRE COMPANY HOLDINGS LIMITED
REGISTERED NUMBER: 09073223

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Intangible assets	13	35,494	44,393
Tangible assets	14	14,937,991	14,869,247
		<u>14,973,485</u>	<u>14,913,640</u>
Current assets			
Stocks		10,109	12,178
Debtors	16	1,506,036	2,385,905
Cash at bank and in hand		334,321	402,870
		<u>1,850,466</u>	<u>2,800,953</u>
Creditors: amounts falling due within one year	17	(4,615,625)	(3,657,060)
Net current liabilities		<u>(2,765,159)</u>	<u>(856,107)</u>
Total assets less current liabilities		<u>12,208,326</u>	<u>14,057,533</u>
Creditors: amounts falling due after more than one year	18	(912,317)	(899,003)
Net assets		<u><u>11,296,009</u></u>	<u><u>13,158,530</u></u>
Capital and reserves			
Called up share capital	19	885	885
Share premium account	20	15,999,135	15,999,135
Capital redemption reserve	20	15	15
Other reserves	20	36,884	24,317
Profit and loss account	20	(4,740,910)	(2,865,822)
		<u><u>11,296,009</u></u>	<u><u>13,158,530</u></u>

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



N F Starr
Director

Date: May 29, 2021

The notes on pages 18 to 39 form part of these financial statements.

LONDON THEATRE COMPANY HOLDINGS LIMITED
REGISTERED NUMBER: 09073223

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Fixed asset investments	15	103	102
		<u>103</u>	<u>102</u>
Current assets			
Debtors	16	17,321,581	16,510,704
Cash And Cash Equivalents		175,501	120,906
		<u>17,497,082</u>	<u>16,631,610</u>
Creditors: amounts falling due within one year	17	(1,628,754)	(695,804)
Net current assets		<u>15,868,328</u>	<u>15,935,806</u>
Total assets less current liabilities		<u>15,868,431</u>	<u>15,935,908</u>
Net assets		<u>15,868,431</u>	<u>15,935,908</u>
Capital and reserves			
Called up share capital	19	885	885
Share premium account	20	15,999,135	15,999,135
Capital redemption reserve	20	15	15
Other reserves	20	36,884	24,317
Profit and loss account brought forward		(88,444)	(56,975)
Loss for the year		(80,044)	(31,469)
		<u>(168,488)</u>	<u>(88,444)</u>
Profit and loss account carried forward		<u>15,868,431</u>	<u>15,935,908</u>

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


N F Starr
 Director

Date: May 29, 2021

The notes on pages 18 to 39 form part of these financial statements.

LONDON THEATRE COMPANY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 October 2018 (as previously stated)	885	15,999,135	15	11,750	(1,842,327)	14,169,458
Prior year adjustment	-	-	-	-	73,292	73,292
At 1 October 2018 (as restated)	885	15,999,135	15	11,750	(1,769,035)	14,242,750
Comprehensive income for the year						
Loss for the year (restated)	-	-	-	-	(1,096,787)	(1,096,787)
Total comprehensive income for the year	-	-	-	-	(1,096,787)	(1,096,787)
Credit relating to equity-settled share based payment	-	-	-	12,567	-	12,567
At 1 October 2019 (as previously stated)	885	15,999,135	15	24,317	(2,821,429)	13,202,923
Prior year adjustment	-	-	-	-	(44,393)	(44,393)
At 1 October 2019 (as restated)	885	15,999,135	15	24,317	(2,865,822)	13,158,530
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,875,088)	(1,875,088)
Total comprehensive income for the year	-	-	-	-	(1,875,088)	(1,875,088)
Credit relating to equity-settled share based payment	-	-	-	12,567	-	12,567
At 30 September 2020	885	15,999,135	15	36,884	(4,740,910)	11,296,009

LONDON THEATRE COMPANY HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The notes on pages 18 to 39 form part of these financial statements.

LONDON THEATRE COMPANY HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 October 2018	885	15,999,135	15	11,750	(56,975)	15,954,810
Comprehensive income for the year						
Loss for the year	-	-	-	-	(31,469)	(31,469)
Total comprehensive income for the year	-	-	-	-	(31,469)	(31,469)
Credit relating to equity-settled share based payment	-	-	-	12,567	-	12,567
At 1 October 2019	885	15,999,135	15	24,317	(88,444)	15,935,908
Comprehensive income for the year						
Loss for the year	-	-	-	-	(80,044)	(80,044)
Total comprehensive income for the year	-	-	-	-	(80,044)	(80,044)
Contributions by and distributions to owners						
Credit relating to equity-settled share based payment	-	-	-	12,567	-	12,567
Total transactions with owners	-	-	-	12,567	-	12,567
At 30 September 2020	885	15,999,135	15	36,884	(168,488)	15,868,431

The notes on pages 18 to 39 form part of these financial statements.

LONDON THEATRE COMPANY HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	2020 £	As restated 2019 £
Cash flows from operating activities		
Loss for the financial year	(1,875,088)	(1,096,787)
Adjustments for:		
Amortisation of intangible assets	28,899	28,899
Depreciation of tangible assets	474,792	450,701
Loss on disposal of tangible assets	11,007	-
Income received under the Coronavirus Job Retention Scheme	(701,021)	-
Interest paid	65,029	13,501
Interest received	(530)	(1,104)
Taxation charge	(347,393)	(514,195)
Decrease/(increase) in stocks	2,069	(320)
Decrease/(increase) in debtors	620,186	(252,614)
Increase in creditors	987,888	610,499
Corporation tax received	603,635	544,129
Movement in share options	-	12,567
Net cash generated from operating activities	(130,527)	(204,724)
Cash flows from investing activities		
Purchase of intangible fixed assets	(20,000)	-
Purchase of tangible fixed assets	(545,288)	(409,642)
Sale of tangible fixed assets	(9,255)	-
Income received under the Coronavirus Job Retention Scheme	701,021	-
Purchase of fixed asset investments	(1)	-
Interest received	530	1,104
Net cash from investing activities	127,007	(408,538)
Cash flows from financing activities		
Interest paid	(65,029)	(13,501)
Net cash used in financing activities	(65,029)	(13,501)
Net (decrease) in cash and cash equivalents	(68,549)	(626,763)

LONDON THEATRE COMPANY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	2020 £	<i>As restated</i> 2019 £
Cash and cash equivalents at beginning of year	402,870	1,029,633
Cash and cash equivalents at the end of year	334,321	402,870
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	334,321	402,870
	334,321	402,870

The notes on pages 18 to 39 form part of these financial statements.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 development of the Covid-19 pandemic and the challenges this has posed for the Company and Group's activities and financial sustainability, putting limits on the ability to stage live productions and generate ancillary commercial income.

The Company made a loss of £ 80,044 during the year, and as at the Statement of Financial Position date had net assets of £ 15,868,431. The Group net asset position as at 30th September 2020 was £ 11,296,009. From early during the pandemic, the board have reviewed scenario planning and financial modelling on an ongoing basis, alongside undertaking a full rationalisation of the current staffing and business model to reduce costs and preserve cash flow to the greatest extent possible. A small increase in the Company's outstanding shareholder loan was made in early September 2020, which facilitated cash flow management as production spend on the reopening season ramped up, alongside a moratorium on non-discretionary spending, including capital investment and non-essential maintenance. Meanwhile, full use was made of government initiatives, including in particular the furlough scheme, and a successful application made to the Culture Recovery Fund for a long-term loan of £5m which was drawn down in full in February 2021. Monthly repayment instalments on this loan do not start until February 2025. The Company has also lent sums on to its subsidiary companies, on the understanding that it will not call in these debts at any time that would prejudice the borrowing subsidiary's ongoing business, and at the earliest, not until the Culture Recovery Fund and external shareholder loans are due for repayment.

The Group's financial modelling underpinned the programming decisions to reopen the Bridge in August 2020 and to programme a run of A Christmas Carol in December 2020 (curtailed due to the further lockdown announced mid-month). The same approach has been taken towards forward planning for the remainder of the financial year 2020/21 and beyond. The Bridge is currently scheduled to open with a diorama performance in mid-May 2021, followed by a full production in late June 2021, playing initially to a reduced capacity auditorium. The scenario currently felt most plausible is that full capacity performances will start no earlier than late July 2021. Management have taken a prudent approach to planning, and in light of the receipt of the long-term loan from the Culture Recovery Fund, the directors are confident that the Company and Group have adequate resources to continue operations for the foreseeable future (at least twelve months from the date of these financial statements) and have therefore prepared the financial statements on a going concern basis.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.4 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. The following criteria must also be met before revenue is recognised:

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.

Other income

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

Cinema streaming

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

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.

2.5 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 Income and Retained Earnings in the same period as the related expenditure.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss 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.

2.7 Finance costs

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

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

2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss 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 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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss 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.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.11 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.

Intangible assets comprise of capitalised website development costs and are considered to have a finite useful life, which has been estimated at five years.

2.12 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 profit or loss during the period in which they are incurred.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Leasehold improvements	- 5-50 years straight line
Fixtures and fittings	- 3-50 years straight line
Computer equipment	- 3 year straight line
Theatre technical 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 profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks comprise food and beverages, and merchandise stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell. Cost is based on the cost of purchase on a first in, first out basis.

2.15 Production costs

Production costs, including rehearsal costs, are recognised in the Consolidated Statement of Income and Retained Earnings 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 Income and Retained Earnings.

2.16 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.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.17 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.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2.9 and note 21.

(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 2.12 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 2.11 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.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. Turnover

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

	2020 £	As restated 2019 £
Box office income	4,487,600	8,417,256
Cinema streaming income	35,858	207,239
Membership income	130,564	143,309
Bar and Food sales	533,923	1,240,681
BBC production income	2,000,000	-
Event Space Hire	115,154	33,529
Trading and other income	94,760	196,670
	<u>7,397,859</u>	<u>10,238,684</u>

All turnover arose within the United Kingdom.

5. Charitable donation

	2020 £
NHS Charities Together	1,154,081
	<u>1,154,081</u>

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.

6. Other operating income

	2020 £	2019 £
Other operating income	55,431	128,436
Income received under the Coronavirus Job Retention Scheme	<u>701,021</u>	<u>-</u>

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

7. Operating loss

The operating loss is stated after charging:

	2020	As restated 2019
	£	£
Amortisation	28,899	28,899
Depreciation	(474,792)	450,701
Operating lease rentals	298,495	543,720
Share based payment	12,567	12,567
	<u>28,899</u>	<u>12,567</u>

8. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>10,600</u>	<u>12,600</u>
Fees payable to the Group's auditor and its associates in respect of:		
The audit of the Group's subsidiaries pursuant to legislation	37,500	35,900
Other services relating to taxation	8,000	7,500
	<u>45,500</u>	<u>43,400</u>

LONDON THEATRE COMPANY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

9. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	2,741,204	3,707,534	-	-
Social security costs	177,233	235,058	-	-
Cost of defined contribution scheme	42,170	65,109	-	-
	<u>2,960,607</u>	<u>4,007,701</u>	<u>-</u>	<u>-</u>

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

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Employees	81	76	-	6
Head office	40	38	-	-
	<u>121</u>	<u>114</u>	<u>0</u>	<u>6</u>

10. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	233,786	300,000
	<u>233,786</u>	<u>300,000</u>

The highest paid director received remuneration of £118,953 (2019 - £150,000).

11. Interest payable and similar expenses

	2020 £	2019 £
Other loan interest payable	65,029	13,501
	<u>65,029</u>	<u>13,501</u>

LONDON THEATRE COMPANY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	(330,393)	(601,807)
Foreign tax		
Foreign tax on income for the year	-	10,373
Total current tax	<u>(330,393)</u>	<u>(591,434)</u>
Deferred tax		
Origination and reversal of timing differences	(17,000)	77,239
Total deferred tax	<u>(17,000)</u>	<u>77,239</u>
Taxation on loss on ordinary activities	<u>(347,393)</u>	<u>(514,195)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(2,222,481)</u>	<u>(1,610,982)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(422,271)	(300,596)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,851	1,533
Capital allowances for year in excess of depreciation	11,489	17,696
Theatre tax credits receivable	(330,393)	(601,807)
Foreign withholding tax	-	10,373
Other tax adjustments	39,217	121,456
Adjustment deferred tax to closing rate 19%	(58,620)	22,313
Deferred tax not recognised	409,334	214,837
Total tax charge for the year	<u>(347,393)</u>	<u>(514,195)</u>

LONDON THEATRE COMPANY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

12. Taxation (continued)

Factors that may affect future tax charges

A deferred tax asset in relation to accumulated losses in a subsidiary has been recognised to the extent that future projections and forecasts indicate that it will be used in the foreseeable future, which for the purpose of this estimate is within the next five years. This deferred tax asset of £250,000 is offset by a smaller deferred tax liability arising on fixed asset timing differences. 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.

Total group losses carried forward amount to £10.5m (2019: £7m).

On 3 March 2021, the UK Government announced its intention to increase the rate of UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The proposed increase in the rate of UK corporation tax is expected to be enacted in the Finance Act 2021.

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

13. Intangible assets

Group and Company

	Development expenditure £
Cost	
Prior Year Adjustment	144,497
At 1 October 2019 (as restated)	144,497
Additions	20,000
At 30 September 2020	164,497
Amortisation	
Prior Year Adjustment	100,104
At 1 October 2019 (as restated)	100,104
Charge for the year	28,899
At 30 September 2020	129,003
Net book value	
At 30 September 2020	35,494
At 30 September 2019 (as restated)	44,393

More detail on the prior year adjustment can be found in note 22.

LONDON THEATRE COMPANY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

14. Tangible fixed assets

Group

	Long-term leasehold property £	Fixtures and fittings £	Assets under construction £	Computer equipment £	Other fixed assets £
Cost or valuation					
At 1 October 2019	14,305,638	407,764	399,539	59,531	516,981
Additions	-	12,711	508,201	16,573	7,803
Disposals	-	-	-	-	(1,824)
At 30 September 2020	14,305,638	420,475	907,740	76,104	522,960
Depreciation					
At 1 October 2019	499,268	136,929	-	31,802	152,207
Charge for the year	274,736	76,213	-	19,481	104,362
Disposals	-	-	-	-	(72)
At 30 September 2020	774,004	213,142	-	51,283	256,497
Net book value					
At 30 September 2020	13,531,634	207,333	907,740	24,821	266,463
At 30 September 2019	13,806,370	270,835	399,539	27,729	364,774

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

14. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 October 2019	15,689,453
Additions	545,288
Disposals	(1,824)
At 30 September 2020	<u>16,232,917</u>
Depreciation	
At 1 October 2019	820,206
Charge for the year	474,792
Disposals	(72)
At 30 September 2020	<u>1,294,926</u>
Net book value	
At 30 September 2020	<u><u>14,937,991</u></u>
At 30 September 2019	<u><u>14,869,247</u></u>

LONDON THEATRE COMPANY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 October 2019	102
Additions	1
At 30 September 2020	<u>103</u>

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%

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%

LONDON THEATRE COMPANY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

16. Debtors

	Group	<i>Group</i>	Company	<i>Company</i>
	2020	<i>As restated</i>	2020	<i>As restated</i>
	£	<i>2019</i>	£	<i>2019</i>
		£		£
Due after more than one year				
Other debtors	43,731	43,731	-	-
	43,731	43,731	-	-
Due within one year				
Trade debtors	25,619	330,353	-	-
Amounts owed by group undertakings	-	-	17,320,042	16,501,135
Other debtors	851,030	1,003,541	170	9,569
Prepayments and accrued income	563,906	981,492	1,369	-
Tax recoverable	21,750	26,788	-	-
	1,506,036	2,385,905	17,321,581	16,510,704

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	<i>Group</i>	Company	<i>Company</i>
	2020	<i>As restated</i>	2020	<i>As restated</i>
	£	<i>2019</i>	£	<i>2019</i>
		£		£
Trade creditors	928,070	808,303	-	8,507
Amounts owed to group undertakings	-	-	-	172,747
Other taxation and social security	38,074	116,827	-	-
Other creditors	1,573,455	972,824	1,560,000	500,000
Accruals and deferred income	2,076,026	1,759,106	68,754	14,550
	4,615,625	3,657,060	1,628,754	695,804

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

LONDON THEATRE COMPANY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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

	Group 2020 £	<i>Group 2019 £</i>
Accruals and deferred income	912,317	<i>899,003</i>
	<u>912,317</u>	<i><u>899,003</u></i>

19. Share capital

	2020 £	<i>2019 £</i>
Allotted, called up and fully paid		
513,750 (2019 - 513,750) A Preference shares of £0.001 each	514	<i>514</i>
371,250 (2019 - 371,250) Ordinary shares of £0.001 each	371	<i>371</i>
	<u>885</u>	<i><u>885</u></i>

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.

20. 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.

LONDON THEATRE COMPANY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

21. 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 2020 is shown below

	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	799	60,000
Granted during the year		-
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 (2019: 20,000)

The total charge for the year in respect of these share-based payments was £12,567 (2019: £12,567). 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

	2020
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%

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

21. 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).

22. Prior year adjustment

The following prior year adjustments were made in one of the subsidiary companies.

A presentational prior year adjustment has been included in the group financial statements to increase Cinema Streaming turnover by £25,838 and increase the cost of sales by the same amount. This adjustment has no impact on the loss previously reported for the year ended 30 September 2019 or the net liability as stated at that date. The purpose was to classify more clearly the film tax relief expense relating to a subsidiary of the group.

A further decision was made by the directors to capitalise website development costs that have historically been included in the Statement of Income and Retained Earnings. A prior year adjustment was made to account for this retrospectively. The impact on the financial statements was to include an intangible asset with a net book value of £44,393 as at 30 September 2019 and increase the retained earnings brought forward as at that date by £73,292. This adjustment increases the loss previously reported for the year ended 30 September 2019 by £28,899. The overall impact is a reduction of the net liability previously reported as at 30 September 2019 of £44,393.

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 £11,708 (2019: £79,192) 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 £55,986 (2019: £76,706).

LONDON THEATRE COMPANY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

24. Commitments under operating leases

At 30 September 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	516,175	503,675
Later than 1 year and not later than 5 years	1,914,925	2,431,113
Later than 5 years	18,975,945	18,975,000
	<u>21,407,045</u>	<u>21,909,788</u>

In the 2018, the Company entered into an Agreement for Lease subject to certain conditions that fall outside the control of the Company. Upon all conditions being met, the Company will enter into an operating lease agreement for a period of twenty-five years for premises at King's Cross to house their planned new 600-seat theatre and the Company's headquarters. The date of practical completion of this lease is anticipated to be in June 2021.

Rent payable under this agreement will total a minimum of £6,852,000 over twenty-five years, subject to rent reviews and additional turnover rent.

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 2020 £	Group 2019 £
Changes in lease payments arising from COVID-19 related rent concessions	<u>261,000</u>	<u>-</u>

Subsequent to the year end, a further reduced rate rent concession was granted and in line with the above treatment will be recognised in the following financial year.

25. Related party transactions

Where possible the Company and Group have taken advantage of the exemption conferred by FRS 102 section 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 £233,786 (2019: £478,923).