

MTM West End Ltd

Annual Report and Financial Statements

For the year ended 31 December 2016

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Company Registration No. 09463570 (England and Wales)

MTM West End Ltd

Company Information

Directors	A P Spiegel Urmagic LLC WPMD UK Holdings LLC
Secretary	AP Partnership Services Limited
Company number	09463570
Registered office	Charlotte Building 17 Gresse Street London W1T 1QL
Auditors	Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL

MTM West End Ltd

Contents

	Page
Balance sheet	1
Statement of changes in equity	2
Notes to the financial statements	3 - 9

MTM West End Ltd

Balance Sheet

As at 31 December 2016

		2016	2015
	Notes	£	as restated £
Current assets			
Stocks		-	710,913
Debtors	5	1,755,947	383,954
Cash at bank and in hand		1,464,797	298,403
		<u>3,220,744</u>	<u>1,393,270</u>
Creditors: amounts falling due within one year	6	<u>(2,398,067)</u>	<u>(2,372,984)</u>
Net current assets/(liabilities)		822,677	(979,714)
Provisions for liabilities	7	<u>(200,000)</u>	-
Net assets/(liabilities)		<u><u>622,677</u></u>	<u><u>(979,714)</u></u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss reserves		<u>622,577</u>	<u>(979,814)</u>
Total equity		<u><u>622,677</u></u>	<u><u>(979,714)</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 16/10/17 and are signed on its behalf by:


A P Spiegel
Director

Company Registration No. 09463570

MTM West End Ltd

Statement of Changes in Equity

For the year ended 31 December 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2015:				
Balance at 27 February 2015		-	-	-
Period ended 31 December 2015:				
Loss and total comprehensive income for the year		-	(979,814)	(979,814)
Issue of share capital	8	100	-	100
Balance at 31 December 2015		100	(979,814)	(979,714)
Period ended 31 December 2016:				
Loss and total comprehensive income for the year		-	1,602,391	1,602,391
Balance at 31 December 2016		100	622,577	622,677

MTM West End Ltd

Notes to the Financial Statements

For the year ended 31 December 2016

1 Accounting policies

Company information

MTM West End Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Charlotte Building, 17 Gresse Street, London, W1T 1QL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of MTM West End Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 27 February 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.3 Stocks

Work in progress comprises of those costs incurred on the uncompleted pre-production stage of theatrical productions, excluding marketing, entertaining and other costs which do not contribute to the direct creation of shows. These costs are carried forward on the balance sheet until this preparatory stage is complete, after which they are expensed in the profit and loss account.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

MTM West End Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

MTM West End Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The company has an obligation to restore that part of the theatre its production is running within to its original condition. This provision is recorded in full at the end of the pre-production period within prepayments and charged as an expense to the Profit and Loss account over the expected life of the production.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

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

MTM West End Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Get Out Cost Provision

Provisions have been made for the get out costs relating to the closure of the production. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was: 104 (2015: Nil).

4 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	(622,577)	-

The charge for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:

	2016 £	2015 £
Profit/(loss) before taxation	979,814	(979,814)
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)</i>	195,963	(195,963)
Tax effect of utilisation of tax losses not previously recognised	(195,963)	-
Unutilised tax losses carried forward	-	195,963
Theatre tax credit	(622,577)	-
Tax charge for the year	(622,577)	-

MTM West End Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

4 Taxation

(Continued)

The current tax figure represents Theatre Tax Relief credits, introduced in the Finance Act 2014, payable to the company, that have arisen from expenditure on theatrical productions at 20% of 80% of qualifying core expenditure,

5 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	777,982	-
Corporation tax recoverable	622,577	-
Other debtors	355,388	383,954
	<u>1,755,947</u>	<u>383,954</u>

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	286,031	596,258
Amounts due to group undertakings	535,531	1,770,319
Other taxation and social security	67,070	-
Other creditors	1,509,435	6,407
	<u>2,398,067</u>	<u>2,372,984</u>

7 Provisions for liabilities

	2016 £	2015 £
Get out costs	<u>200,000</u>	<u>-</u>
Movements on provisions:		
		Get out costs £
At 1 January 2016		-
Additional provisions in the year		200,000
At 31 December 2016		<u>200,000</u>

Get out costs represent the estimated cost to close the production and return the theatre to the condition that it was received.

MTM West End Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

8 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary of £1 each	100	100
	<u>100</u>	<u>100</u>

9 Related party exemption

The company has taken advantage of exemption, under the terms of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose transactions between fellow wholly owned group companies.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.

The senior statutory auditor was Peter Smithson.

The auditor was Kingston Smith LLP.

11 Related party transactions

There are three key management personnel, who have been remunerated through other intermediary companies. The agreement does not identify the allocation of this charge, this has meant that the key management personnel remuneration cannot be disclosed.

No guarantees have been given or received.

During the year there have been £584,935 (2015: £91,917 within work-in-progress) of expenses with Adam Spiegel Productions Limited a company which Adam Spiegel is a director and has controlling interest. Included in creditors is a balance of £41,493 (2015: £Nil) due to Adam Spiegel Productions Limited.

During the year there have been £818,508 (2015: £Nil) of expenses with Morgo LLC a company that has ultimate control over Morgo UK Limited, the company that has ultimate control over MTM West End Limited. A balance of £105,465 (2015: £Nil) is due to Morgo LLC at 31 December 2016.

12 Parent company

The parent company of MTM West End Ltd is MTM (Group) Ltd, incorporated in England and Wales; registered office is Charlotte Building, 17 Gresse Street, London, W1T 1QL.

The ultimate controlling parent is Morgo LLC incorporated in the as it has a controlling interest in Morgo UK Limited, which is the controlling parent company of MTM (Group) Ltd.

13 Prior period adjustment

The prior year's balance sheet contained marketing expenditure of amount £754,573 incorrectly classified to prepayments which has now been reversed and expensed to the profit and loss account.

MTM West End Ltd

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

13 Prior period adjustment

(Continued)

Changes to the balance sheet

	At 31 December 2015		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Debtors due within one year	1,138,527	(754,573)	383,954
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss	(225,241)	(754,573)	(979,814)
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	Period ended 31 December 2015		
	As previously reported	Adjustment	As restated
	£	£	£
Administrative expenses	(225,241)	(754,573)	(979,814)
	<u> </u>	<u> </u>	<u> </u>
Loss for the financial period	(225,241)	(754,573)	(979,814)
	<u> </u>	<u> </u>	<u> </u>