

Company registration number: 10853006

# London Film Experience (Baker Street) Ltd

Annual Report and Financial Statements

for the Year Ended 31 December 2019



## **London Film Experience (Baker Street) Ltd**

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## **London Film Experience (Baker Street) Ltd**

### **Company Information**

<b>Directors</b>	T H Creighton D Bisoni S Roots
<b>Registered office</b>	Warner House 98 Theobald's Road London WC1X 8WB
<b>Auditor</b>	Ernst & Young LLP 1 More London Place London SE1 2AF
<b>Banker</b>	Barclays Bank PLC 8/9 Hanover Square London W1A 4ZW

## **London Film Experience (Baker Street) Ltd**

### **Directors' Report for the Year Ended 31 December 2019**

The directors present their annual report on the affairs of London Film Experience (Baker Street) Ltd ("the company") together with the financial statements for the year ended 31 December 2019.

#### **Principal activity**

The company held the lease at Shops 3 and 4 Station Approach at Baker Street Station, London until 31 July 2019. The company did not trade after this date. No commercial trading activity is expected in future periods.

#### **Results and dividends**

Profit for the year after taxation arising from the write-off of an intercompany balance provided to settle and exit a lease amounted to £3,531,000. (18 month period ended 2018: Loss of £3,531,000)

No dividends were paid during the period.

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

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

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

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

T H Creighton  
J Sands (resigned 20 November 2020)  
D Bisoni

The following director was appointed after the year end:  
S Roots (appointed 26 November 2020)

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

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

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

## **London Film Experience (Baker Street) Ltd**

### **Directors' Report for the Year Ended 31 December 2019 (continued)**

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

Subsequent to the company's 31 December 2019 financial year end, the COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. Governments, the UK government among them, have imposed restrictions to reduce the risk of further spread of the disease - closing borders, ordering home quarantine and cancelling public events.

The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community and the wider economy.

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

The directors have assessed the impact of COVID-19 on the company. The only activity of the entity was holding a lease agreement without any commercial transactions or activities, and this lease was exited during the year. No other activity occurred in the entity in the financial year, and no commercial trading activity is expected in future period. Therefore, the directors believe that the company is well placed to continue.

The financial statements have been prepared based upon the conditions existing at the 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after the 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the financial statements as at 31 December 2019 for the impacts of COVID-19.

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

## **London Film Experience (Baker Street) Ltd**

### **Directors' Report for the Year Ended 31 December 2019 (continued)**

#### **Going concern**

The directors have reviewed the current financial performance and position of the company and considered the impact of COVID-19 on the company and are confident that it will not lead to the company no longer being a going concern. In the unlikely event that it is not possible for the company to meet their liabilities as they fall due, the ultimate parent company AT&T Inc. has agreed to provide continued financial support to the company for the foreseeable future to meet its obligations as and when they fall due, for a minimum of 12 months from the date of these financial statements, to the extent that the company is unable to meet its liabilities.

AT&T Inc. released its half year 2020 results on 23 July 2020, which demonstrates the group has generated an EBITDA of US\$25,525m. Based on this information and on enquiry the directors believe that the ultimate parent company, AT&T Inc. has the ability to provide financial support to the company for the foreseeable future if the need arises.

On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Auditor**

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

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

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

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

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

On behalf of the Board



.....  
T H Creighton  
Director

Date: Dec 17, 2020

## **London Film Experience (Baker Street) Ltd**

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **London Film Experience (Baker Street) Ltd**

### **Independent Auditor's Report to the Members of London Film Experience (Baker Street) Ltd**

#### **Opinion**

We have audited the financial statements of London Film Experience (Baker Street) Ltd (the 'company') for the year ended 31 December 2019, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, and notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for 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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 Film Experience (Baker Street) Ltd**

### **Independent Auditor's Report to the Members of London Film Experience (Baker Street) Ltd (continued)**

#### **Other information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinions 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **London Film Experience (Baker Street) Ltd**

### **Independent Auditor's Report to the Members of London Film Experience (Baker Street) Ltd (continued)**

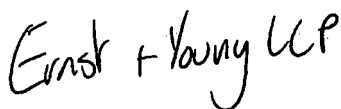
#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

18 December 2020

Date:.....

**London Film Experience (Baker Street) Ltd**

**Income Statement  
for the Year Ended 31 December 2019**

		<b>Year ended 31 December 2019 £ 000</b>	<b>18 month period ended 31 December 2018 £ 000</b>
	<b>Note</b>		
Administrative expenses		<u>3,531</u>	<u>(3,531)</u>
<b>Operating profit/(loss)</b>	<b>2</b>	<u>3,531</u>	<u>(3,531)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		3,531	(3,531)
Taxation on loss on ordinary activities	<b>4</b>	<u>-</u>	<u>-</u>
<b>Profit/(loss) for the financial year</b>		<u><u>3,531</u></u>	<u><u>(3,531)</u></u>

There is no difference between profit for the financial period and total comprehensive income for the period, and accordingly no separate statement of comprehensive income has been presented.

The notes on pages 12 to 19 form an integral part of these financial statements.

# **London Film Experience (Baker Street) Ltd**

## **Statement of Changes in Equity for the Year Ended 31 December 2019**

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total shareholder's funds £ 000</b>
At 6 July 2017	-	-	-
Loss for the period	-	(3,531)	(3,531)
At 31 December 2018	-	(3,531)	(3,531)
	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total shareholder's funds £ 000</b>
At 1 January 2019	-	(3,531)	(3,531)
Profit for the year	-	3,531	3,531
At 31 December 2019	-	-	-

The notes on pages 12 to 19 form an integral part of these financial statements.

**London Film Experience (Baker Street) Ltd**

**Statement of Financial Position  
as at 31 December 2019**

	Note	31 December 2019 £ 000	31 December 2018 £ 000
<b>Current assets</b>			
Debtors	5	-	99
Cash at bank and in hand		<u>136</u>	<u>-</u>
		136	99
<b>Creditors: Amounts falling due within one year</b>	6	<u>(136)</u>	<u>(1,807)</u>
<b>Total assets less current liabilities</b>		-	(1,708)
Provisions for liabilities	7	<u>-</u>	<u>(1,823)</u>
<b>Net liabilities</b>		<u>-</u>	<u>(3,531)</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account		<u>-</u>	<u>(3,531)</u>
<b>Total shareholder's deficit</b>		<u>-</u>	<u>(3,531)</u>

Approved by the Board and signed on its behalf by:



.....  
T H Creighton  
Director

Date: Dec 17, 2020

**Company registration number: 10853006**

The notes on pages 12 to 19 form an integral part of these financial statements.

## **London Film Experience (Baker Street) Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 Accounting policies**

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

London Film Experience (Baker Street) Ltd is a limited liability company incorporated in England. The Registered Office is 98 Theobald's Road, London, WC1X 8WB.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2019.

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

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

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

##### **Going Concern**

The directors have reviewed the current financial performance and position of the company and considered the impact of COVID-19 on the company and are confident that it will not lead to the company no longer being a going concern. In the unlikely event that it is not possible for the company to meet their liabilities as they fall due, the ultimate parent company AT&T Inc. has agreed to provide continued financial support to the company for the foreseeable future to meet its obligations as and when they fall due, for a minimum of 12 months from the date of these financial statements, to the extent that the company is unable to meet its liabilities.

AT&T Inc. released its half year 2020 results on 23 July 2020, which demonstrates the group has generated an EBITDA of US\$25,525m. Based on this information and on enquiry the directors believe that the ultimate parent company, AT&T Inc. has the ability to provide financial support to the company for the foreseeable future if the need arises.

On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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

The company has taken advantage of the exemption in FRS 102.1.12(b) Reduced disclosures for subsidiaries. A statement of cashflows has not been prepared as the company is a member of a group where the parent, AT&T Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 10).

## **London Film Experience (Baker Street) Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

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

##### **Related parties**

The company has taken advantage of the exemption in FRS 102.1.12(e) Reduced disclosures for subsidiaries. Key management remuneration has not been disclosed as the company is a member of a group where the parent, AT&T Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 10). No transactions have taken place with directors or associated companies in the period leading up to the acquisition.

The company has taken advantage of the exemption in FRS 102.33.1A not to disclose related party transactions with fellow wholly-owned subsidiary undertakings of AT&T Inc., which prepares publicly available consolidated financial statements (see note 10).

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

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

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

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

##### **Taxation**

The company recognises liabilities for anticipated uncertain corporation tax positions based on reasonable estimates of whether additional taxes will be due and the timing of those additional taxes. Further details are contained in note 4.

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

##### **Provisions for liabilities**

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material the provisions are discounted to their present value at the statement of financial position date.

## **London Film Experience (Baker Street) Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

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

##### **Exceptional items**

Exceptional items are disclosed separately in the statements of financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.



## London Film Experience (Baker Street) Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 2 Operating profit

This is stated after (receiving) / charging:

	Year ended 31 December 2019 £ 000	18 month period ended 31 December 2018 £ 000
Exceptional Items	(3,530)	-
Lease exit cost	-	1,000
Rent provision	-	281
Write-down of prepaid rent and rates	-	158
Rates provision	-	292

Exceptional items relate to the the write off of intercompany creditors and release of over provisions relating to lease exit costs.

Audit fees for the current period of £1,731 were borne by a fellow group undertaking.

The company had no employees in the current period.

#### 3 Directors' remuneration

Each director of the company is also a director of, and paid by, other companies in the group for the current period. They have minimal qualifying services to the company and receive no remuneration in respect of the company.

#### 4 Taxation

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

	Year ended 31 December 2019 £ 000	18 month period ended 31 December 2018 £ 000
<i>Current tax:</i>		
UK corporation tax at 19%	-	-
Total current tax	-	-

## London Film Experience (Baker Street) Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 4 Taxation (continued)

b) Circumstances affecting the total tax charge:

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19% (2018 - 19%).

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

	Year ended 31 December 2019 £ 000	18 month Period ended 31 December 2018 £ 000
Profit/(loss) on ordinary activities before tax	3,531	(3,531)
Tax on loss on ordinary activities at standard rate	671	(671)
<i>Factors affecting charge:</i>		
Non-deductible expenses	3	208
Pre-trading expenses	(72)	463
Non taxable income	(602)	-
Total tax charge/(credit) (see note 4(a) above)	-	-

c) Factors affecting future tax charges

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

#### 5 Debtors

	31 December 2019 £ 000	31 December 2018 £ 000
VAT receivable	-	99
	-	99

# **London Film Experience (Baker Street) Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

### **6 Creditors: amounts falling due within one year**

	<b>31 December 2019 £ 000</b>	<b>31 December 2018 £ 000</b>
Due to group undertakings	<u>136</u>	<u>1,807</u>
	<u>136</u>	<u>1,807</u>

### **7 Provisions for liabilities**

	<b>Onerous lease provision £ 000</b>	<b>Dilapidations provision £ 000</b>	<b>Total £ 000</b>
At 31 December 2018	1,573	250	1,823
Amounts charged against provision during year	(1,439)	-	(1,439)
Unused amounts reversed during year	<u>(134)</u>	<u>(250)</u>	<u>(384)</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>

### **8 Obligations under leases and hire purchase contracts**

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

	<b>31 December 2019 £ 000</b>	<b>31 December 2018 £ 000</b>
Not later than one year	-	372
Later than one year and not later than five years	-	1,486
Later than five years	<u>-</u>	<u>1,712</u>
	<u>-</u>	<u>3,570</u>

## London Film Experience (Baker Street) Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 9 Share capital

##### Issued, allotted, called up and unpaid

	31 December 2019		31 December 2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### 10 Ultimate parent undertaking

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

At 31 December 2019 AT&T Inc., a company incorporated in the United States of America, was the ultimate parent undertaking and the parent undertaking of the smallest and largest group of undertakings of which the company is a member and for which group financial statements are drawn up. Copies of AT&T Inc.'s financial statements can be obtained from 208 S. Akard St, Dallas, TX 75202, USA.

## **London Film Experience (Baker Street) Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

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

Subsequent to the company's 31 December 2019 financial year end, the COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. Governments, the UK government among them, have imposed restrictions to reduce the risk of further spread of the disease - closing borders, ordering home quarantine and cancelling public events.

The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community and the wider economy.

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

The directors have assessed the impact of COVID-19 on the company. The only activity of the entity was holding a lease agreement without any commercial transactions or activities, and this lease was exited during the year. No other activity occurred in the entity in the financial year, and no commercial trading activity is expected in future period. Therefore, the directors believe that the company is well placed to continue.

The financial statements have been prepared based upon the conditions existing at the 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after the 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the financial statements as at 31 December 2019 for the impacts of COVID-19.

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