

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

AMENDED ACCOUNTS

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 MARCH 2021



HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Dame R A Squire Sir H H Panter A Hill D J Lazar A Schmidt H J Enright
Registered number	12219697
Registered office	Ashcombe Court Woolsack Way Godalming GU7 1LQ
Independent auditor	SRLV Audit Limited Chartered Accountants & Statutory Auditor Elsley Court 20-22 Great Titchfield Street London W1W 8BE
Bankers	Coutts & Co 440 Strand London WC2R 0QS

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

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HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 27 MARCH 2021

Introduction

The directors present their strategic report for the period ended 27 March 2021.

Business review

The results of the group are reported on page 11.

The directors were satisfied with the results for the period, all venues were closed for performances as a result of the coronavirus pandemic for the whole year.

The board monitors the progress of the group by reference to the following key performance indicators:

- Revenue fell by 90% from £48.7m to £4.9m
- Gross profit fell by 83.1% from £26m to £4.4m
- Gross profit percentage increased from 53.9% to 90.1%
- Loss before tax of £2.9m (2020 - profit of £541k)

Year on year reductions in the monetary key performance indicators are largely as a result of the lost income and resultant profitability due to the aforementioned, unavoidable closure of the venues due to the coronavirus pandemic.

Overall, and given that the venues were closed for the entire year the directors are satisfied with the performance and the financial position of the group.

Strategy and future developments

The HQ Theatres & Hospitality venues have remained closed for business in the period to 27 March 2021 as a result of the coronavirus pandemic. The pantomime season was cancelled, along with all remaining shows, rescheduling later into 2021 where possible. Although hopeful of remobilising early in the new financial year we were unable to re-open until August 21 onwards. The group's senior management and support team have together been responsible for securing the venue, minimising overheads and taking advantage of any support available including the governments Coronavirus job retention scheme and local restriction grants. Some venues have been provided to the NHS as testing centres and although there have been no profits made, the rental fees have mitigated overheads for that period.

On 27th March 2021, 100% of the shareholding in HQ Theatres & Hospitality Holdings Limited was acquired by Trafalgar Entertainment Group Limited. As a result of the change in ownership, the company has shortened the next financial period to end on 25 December 2021 and the current financial period to 27 March 2021.

The 'HQ Collection' pubs, restaurants and accommodation have traded intermittently in the year, between national lockdowns and under Government guidelines and restrictions. As a result of the acquisition, the HQ Collection operations were discontinued at the end of the financial year.

The group's senior management and support team have together been responsible for the strong trading history of the venues and their growth. They possess all the skills and expertise to re-focus the operation within a revised operating environment.

In planning for a new trading environment, enhanced efficiencies and savings opportunities will be identified and incorporated into business plans, in the interests of boosting longer-term sustainability following the impact that the coronavirus pandemic will have had on the 2020/21 financial year.

An extensive financial performance database stretching back to the group's foundation lends certainty to robust budgeting, re-forecasting and decision-making. Disciplined protocols and monthly accounts monitoring and approval by directors are supported by continuous review and bank reporting, so the directors have complete confidence in the group's ability to manage and control the course of recovery.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 MARCH 2021

The group has a well-developed day-to-day risk management strategy in place which it has continued to monitor and improve. Formal risk reporting is incorporated into the annual budgeting and planning cycle, while the management of these risks is an integral part of the daily management process.

The directors are very pleased with the management team's abilities to keep close to the drivers and trends that underlie demand throughout the business and ensure communication throughout the group is efficient and effective in order to respond to those trends.

The group will continue to explore future opportunities within the sector. We aim to improve efficiency in all areas of our operating including through procurement and cost reductions. Customer service and satisfaction remains our top priority.

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the group and both management and the finance department take on an important oversight role in this regard and ensure that a proper internal control framework exists to manage financial risks and that controls operate effectively.

The group has developed a framework for identifying the risks that it is exposed to and their impact on business. This continuous process is in place to manage working capital requirements and to ensure that we have the financial strength and capital adequacy to support the growth of the business and to meet the requirements of all relevant stakeholders.

The principal risks from our core businesses arise from economic recovery following the 2020/21 pandemic and resultant consumer spending; the trading environment e.g. adverse weather conditions, competitor activity and the economic climate; consumer preferences and changing demographics; information security and the protection of business and consumer data; employees e.g. reliance on key personnel and the availability of specialist skills; and health and safety throughout.

In addition, the group is exposed to financial risks arising primarily from working capital requirements. These risks are discussed in the next section of this report.

Financial instruments

The group's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and lease agreements. The main purpose of these instruments is to raise funds and working capital for the group's operations.

Due to the nature of the financial instruments used by the group there is no significant exposure to price risk. The group's approach to managing other risks applicable to the financial instruments is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The group's policy is to make use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered, if any, to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient amounts are available to meet amounts due.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 27 MARCH 2021

Employees

Applications for employment by disabled persons are always carefully considered, bearing in mind the respective aptitude and abilities of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment in the company continues and the appropriate training is arranged. It is the policy of the company that the training, development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interest and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through briefing and reviews.

Directors' statement of compliance with duty to promote the success of the group

The board of directors consider, both individually and as a board, that they have acted in a manner they consider, in good faith, would be most likely to promote the success of the group for the benefit of its shareholders as a whole (having regard to the stakeholders and matters set out in s172 (1) (a-f) of the Companies Act 2006) in the decisions made during the period ended 27 March 2021.

The directors consider the likely consequences that might result from any decisions made or actions taken on the long-term future of the group and its stakeholders. In doing so, the interests and well-being of the group's employees are key considerations and steps have been taken to ensure that the group's employees' wellbeing is prioritised. The group has recently appointed a dedicated Skills & Training Development Manager to lead on workforce talent management. A key aim of this role is to enrich the workforce experience and enhance performance through the provision of core skills, developmental training and learning opportunities. In doing so, the company is building in more operational and commercial resilience in preparation for future growth.

The directors continue to monitor and develop relationships with its customers, producers, council partners and suppliers as key contributors to the group's ongoing success. As the directors continue to foster key strategic stakeholder relationships, the group remains at the forefront of regional theatre ecology and an important influence in the development of trade body policy and procedures promoting sector specific economic growth.

The decisions made and actions undertaken by the directors' aim to represent and maintain the group's reputation for appropriate standards of business conduct.

This report was approved by the board on Monday 20th December 2021 and signed on its behalf.



A Schmidt

Director

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 27 MARCH 2021

The directors present their report and the financial statements for the period ended 27 March 2021.

Principal activity

The principal activities of the group continued to be theatre operation and management and hospitality services.

The principal activity of the company is that of a holding company.

Results and dividends

The loss for the period, after taxation, amounted to £3,065,693 (2020 - profit £603,180).

The directors do not recommend payment of an ordinary dividend.

Directors

The directors who served during the period were:

Dame R A Squire (appointed 27 March 2021)
Sir H H Panter (appointed 27 March 2021)
N J Thomas MBE (resigned 27 March 2021)
A Hill (appointed 27 March 2021)
D J Lazar (appointed 27 March 2021)
A Schmidt (appointed 27 March 2021)
H J Enright (appointed 27 March 2021)
J Parry (resigned 27 March 2021)

Greenhouse gas emissions, energy consumption and energy efficiency action

The group's greenhouse gas emissions and energy consumption are as follows:

	2021
Energy consumed from activities for which the group is responsible involving the combustion of gas, or the consumption of fuel for the purposes of transport, and the annual quantity of energy consumed resulting from the purchase of electricity by the group for its own use, including for the purposes of transport (in kWh)	484,326

Intensity ratio

CO2 emissions (tonnes / £m turnover) 87.9

Methodology

Gas and electricity consumption for each of the theatres and other sites operated by the group represents actual metered usage during the financial period, other than where data regarding gas and/or electricity usage is not available. Gas and/or electricity is recharged by the council in respect of the following theatres: Churchill Theatre in Bromley (gas) and Swan Theatre in High Wycombe (electricity), therefore actual consumption data is not available. Energy consumption for these two theatres has been estimated using data available for similar venues operated by the group.

Matters covered in the strategic report

The likely future developments, the principal risks and uncertainties facing the company and financial instruments used by the company have been considered in the strategic report.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 27 MARCH 2021

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Post balance sheet events

HQ Theatres & Hospitality Holdings venues have remained closed for business for the period to 27th March 2021. All shows and events were either rescheduled to later in 2021 or cancelled. Despite the roll out of the vaccine, the venues were not able to open up to the public until August 2021 onwards. In order to mitigate the financial impact on the company, the directors have continued to take advantage of Government support where available.

Auditor

Under section 487(2) of the Companies Act 2006, SRLV Audit Limited will be deemed to have been reappointed as auditor 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 on Monday 20th December 2021 and signed on its behalf.



A Schmidt

Director

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 27 MARCH 2021

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'. 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.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

Opinion

We have audited the financial statements of HQ Theatres & Hospitality Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 27 March 2021, which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated statement of cash flows, the consolidated 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 27 March 2021 and of the group's loss for the period 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. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HQ THEATRES & HOSPITALITY HOLDINGS LIMITED (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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the group strategic report and the directors' report for the financial period 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 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HQ THEATRES & HOSPITALITY HOLDINGS LIMITED (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 group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the entity's industry and sector, control environment, business performance and management incentives;
- the results of our specific enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: the recognition of revenue. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls.

We also obtained an understanding of the legal and regulatory frameworks in which the group operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HQ THEATRES & HOSPITALITY HOLDINGS LIMITED (CONTINUED)

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls: testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

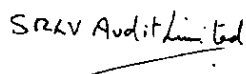
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Whilst the procedures above describe the extent to which our procedures are capable of detecting irregularities, including fraud, there are inherent limitations in these audit procedures. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, misrepresentation or through collusion. We are not responsible for preventing irregularities, including fraud, or non-compliance with laws and regulations and cannot be expected to detect all irregularities or non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.


SRLV Audit Limited

Marc Voulters (Senior Statutory Auditor)

for and on behalf of
SRLV Audit Limited

Chartered Accountants
Statutory Auditor

Elsley Court
20-22 Great Titchfield Street
London
W1W 8BE

21/12/2021

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 27 MARCH 2021**

	Note	Continuing operations 2021 £	Discontinued operations 2021 £	Total 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Total 2020 £
Turnover	4	2,953,144	1,825,273	4,778,417	44,222,053	4,456,234	48,678,287
Cost of sales		(52,806)	(385,751)	(438,557)	(20,932,787)	(1,518,442)	(22,451,229)
Gross profit		2,900,338	1,439,522	4,339,860	23,289,266	2,937,792	26,227,058
Administrative expenses		(10,754,303)	(1,687,892)	(12,442,195)	(22,329,036)	(3,633,033)	(25,962,069)
Other operating income	5	7,355,725	560,980	7,916,705	276,413	-	276,413
Operating (loss)/profit	6	(498,240)	312,610	(185,630)	1,236,643	(695,241)	541,402
Loss on disposal of subsidiaries	9	(2,810,729)	-	(2,810,729)	-	-	-
(Loss)/profit before taxation		(3,308,969)	312,610	(2,996,359)	1,236,643	(695,241)	541,402
Tax on (loss)/profit	10	(69,334)	-	(69,334)	61,778	-	61,778
(Loss)/profit for the financial period		(3,378,303)	312,610	(3,065,693)	1,298,421	(695,241)	603,180
(Loss)/profit for the period attributable to:							
Owners of the parent company		(3,378,303)	312,610	(3,065,693)	1,298,421	(695,241)	603,180

There was no other comprehensive income for 2021 (2020 - £NIL).

The notes on pages 18 to 36 form part of these financial statements.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED
REGISTERED NUMBER:12219697
CONSOLIDATED BALANCE SHEET
AS AT 27 MARCH 2021

	Note	£	27 March 2021 £	£	31 March 2020 £
Fixed assets					
Intangible assets	12		792,434		1,109,595
Tangible assets	13		2,892,679		6,150,796
			3,685,113		7,260,391
Current assets					
Stocks	15	59,666		314,712	
Debtors: amounts falling due within one year	16	12,278,780		23,752,662	
Cash at bank and in hand	17	949,891		2,256,974	
			13,288,337		26,324,348
Creditors: amounts falling due within one year	18	(15,335,718)		(28,820,389)	
Net current liabilities			(2,047,381)		(2,496,041)
Total assets less current liabilities			1,637,732		4,764,350
Creditors: amounts falling due after more than one year	19		(436,177)		(497,102)
Net assets			1,201,555		4,267,248
Capital and reserves					
Called up share capital	23		7,103		7,103
Merger reserve	24		1,666,452		1,666,452
Profit and loss account	24		(472,000)		2,593,693
Equity attributable to owners of the parent company			1,201,555		4,267,248

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Monday 20th December 2021.



A Schmidt
Director

The notes on pages 18 to 36 form part of these financial statements.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED
REGISTERED NUMBER:12219697

COMPANY BALANCE SHEET
AS AT 27 MARCH 2021

		27 March 2021	31 March 2020
	Note	£	£
Fixed assets			
Investments	14	3,552	3,552
Current assets			
Debtors: amounts falling due within one year	16	3,551	3,551
Net current assets		3,551	3,551
Total assets less current liabilities		7,103	7,103
Net assets		7,103	7,103
Capital and reserves			
Called up share capital	23	7,103	7,103
		7,103	7,103

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Monday 20th December 2021.



A Schmidt
Director

The notes on pages 18 to 36 form part of these financial statements.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 27 MARCH 2021

	Called up share capital £	Merger reserve £	Profit and loss account £	Total equity £
At 1 April 2019	-	1,670,004	1,990,513	3,660,517
Comprehensive income for the year				
Profit for the year	-	-	603,180	603,180
Total comprehensive income for the year	-	-	603,180	603,180
Shares issued during the year	7,103	-	-	7,103
Movement in merger reserve	-	(3,552)	-	(3,552)
At 1 April 2020	7,103	1,666,452	2,593,693	4,267,248
Comprehensive income for the period				
Loss for the period	-	-	(3,065,693)	(3,065,693)
Total comprehensive income for the period	-	-	(3,065,693)	(3,065,693)
At 27 March 2021	7,103	1,666,452	(472,000)	1,201,555

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 27 MARCH 2021**

	Called up share capital £	Total equity £
At 21 September 2019	-	-
Contributions by and distributions to owners		
Shares issued during the period	7,103	7,103
Total transactions with owners	7,103	7,103
At 1 April 2020	7,103	7,103
At 27 March 2021	7,103	7,103

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 27 MARCH 2021

	27 March 2021 £	31 March 2020 £
Cash flows from operating activities		
(Loss)/profit for the financial period	(3,065,693)	603,180
Adjustments for:		
Amortisation of intangible assets	139,163	139,913
Depreciation of tangible assets	615,839	598,614
Taxation charge	36,897	(61,778)
Decrease/(increase) in stocks	221,790	(211)
Decrease in debtors	10,984,483	18,100
Decrease in creditors	(12,595,435)	(587,258)
Corporation tax (paid)/received	(176,738)	91,339
Loss on disposal of investments	2,810,730	-
Loss on disposal of fixed assets	87,281	-
Net cash (used in)/generated from operating activities	(941,683)	801,899
Cash flows from investing activities		
Purchase of tangible fixed assets	(351,459)	(962,775)
Decrease in cash on disposal of investments	(5,870)	-
Net cash from investing activities	(357,329)	(962,775)
Cash flows from financing activities		
Other loans received	-	487,399
Net cash from financing activities	-	487,399
Net (decrease)/increase in cash and cash equivalents	(1,299,012)	326,523
Cash and cash equivalents at beginning of period	2,248,813	1,922,290
Cash and cash equivalents at the end of period	949,801	2,248,813
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	949,891	2,256,974
Bank overdrafts	(90)	(8,161)
	949,801	2,248,813

The notes on pages 18 to 36 form part of these financial statements.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE PERIOD ENDED 27 MARCH 2021

	At 1 April 2020 £	Cash flows £	Acquisition and disposal of subsidiaries £	Other non- cash changes £	At 27 March 2021 £
Cash at bank and in hand	2,256,974	(1,301,213)	(5,870)	-	949,891
Bank overdrafts	(8,161)	8,071	-	-	(90)
Debt due after 1 year	(487,399)	-	-	60,925	(426,474)
Debt due within 1 year	-	-	-	(60,925)	(60,925)
	<u>1,761,414</u>	<u>(1,293,142)</u>	<u>(5,870)</u>	<u>-</u>	<u>462,402</u>

The notes on pages 18 to 36 form part of these financial statements.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

1. General information

The principal activities of the group continued to be theatre operation and management and hospitality services. The principal activity of the company continued to be that of a holding company.

The company is a private company limited by shares and is registered in England and Wales. Its registered office is Ashcombe Court, Woolsack Way, Godalming, GU7 1LQ. The address of its principal place of business is 2nd Floor, 33 Southampton Street, London, WC2E 7HE.

The figures disclosed in these financial statements represent the period ended 27 March 2021. The comparative amounts presented in the financial statements are therefore not entirely comparable.

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 group's functional and presentational currency is pound sterling.

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 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 results of subsidiaries are deconsolidated from the date control ceases.

On 9 March 2020 a group reconstruction was undertaken whereby HQ Theatres & Hospitality Holdings Limited became the parent of HQ Theatres & Hospitality Limited. This business combination was undertaken on a share for share basis whereby the ultimate shareholders remained the same, the respective rights of each shareholder, relative to others, remained unchanged and no other interest in the net assets of the group was altered by the transfer of ownership.

The consolidated financial statements have been prepared using the principles of FRS 102, whereby merger accounting has been applied. Consequently, comparative information represents the results of the group as if the business combination had always been in place, despite the combination actually taking place in March 2020.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.3 Subsidiary audit exemption guarantee

During the period the directors of the company have given a parent company guarantee to all subsidiary companies for an exemption from being audited under section 479A of the Companies Act 2006 relating to subsidiary companies.

This guarantee has been given to the following subsidiary companies:

Southend Theatres Limited - 05638196
Beck Theatre Limited - 05766817
Wycombe Arts Management Limited - 02636107
Wyvern Theatre Limited - 05076446
White Rock Theatre Hastings Limited - 06757436
Orchard Theatre Dartford Limited - 06794025
HQ Theatres Guildford Limited - 07056670
Lyceum Theatre Crewe Limited - 08415386
HQ Theatres Bromley Limited - 09714367
HQ Hospitality Limited - 05649032
HQ Theatres Limited - 05637233

2.4 Going concern

HQ Theatres & Hospitality Holdings venues remained closed for business in the period to 27 March 2021 as a result of the coronavirus pandemic. All shows were cancelled, rescheduling later into 2021 where possible. Although hopeful of remobilising early in the new financial year we were unable to re-open our venues until August 2021 onwards. The group's senior management and support team have together been responsible for securing the venues, minimising overheads and taking advantage of any support available including the Government's Coronavirus Job Retention Scheme and local restriction grants. Some of our venues have been provided to the NHS as a testing centre and although there has been no profit element the rental fees have mitigated overheads for that period. The team possess all the skills and expertise to re-focus the operation within a revised operating environment. In planning for a new trading environment, enhanced efficiencies and savings opportunities will be identified and incorporated into business plans, in the interests of boosting longer-term sustainability following the impact that the coronavirus pandemic has had on the 2020/21 financial year.

The directors have complete confidence in their ability to manage and control the course of recovery, and the group's immediate parent company has also indicated its willingness to support the group. On this basis, the directors are satisfied that the group will have access to sufficient funding to be able to fulfil its financial obligations for at least 12 months from the date of the signature of the financial statements, which have been prepared on a going concern basis.

2.5 Turnover

Turnover in respect of theatre management represents the amounts due from theatre related services and all directly attributable services. Turnover in respect of the provision of hospitality services comprises revenue recognised in respect of food and drink sales, accommodation, room hire and events.

Turnover is recognised on the date that the services are provided and is recognised exclusive of Value Added Tax.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to consolidated profit or loss over its useful economic life of between 13 and 20 years.

2.7 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight line or reducing balance basis.

Depreciation is provided on the following basis:

Short-term leasehold property	- Over the length of the lease agreement
Plant and machinery	- 15% per annum on a reducing balance basis
Fixtures and fittings	- 15% per annum on a reducing balance basis

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.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.11 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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.12 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans from third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in consolidated profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in consolidated profit or loss in the same period as the related expenditure.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

2. Accounting policies (continued)

2.15 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.16 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 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 balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.18 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.19 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. 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 balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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 balance sheet date.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

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

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.

i) Critical judgements in applying the group's accounting policies

The group depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value, management aim to assess the amount that the group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life.

Determining the amortisation period of 20 years from the date of acquisition for goodwill is based on management's expectations and reasonable assessments of the net assets acquired to support such an amortisation period.

ii) Key accounting estimates and assumptions

Other than mentioned above, the group does not make significant estimates and assumptions concerning the future.

4. Turnover

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

	2021 £	2020 £
Theatre operation and management	3,287,073	35,464,753
Hospitality services	1,491,344	13,213,534
	<u>4,778,417</u>	<u>48,678,287</u>

Included in theatre operation and management is £527,691 (2020 - £873,075) from charitable activities.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

5. Other operating income

	2021 £	2020 £
Recharged costs	24,878	276,413
Government grants receivable	7,891,827	-
	7,916,705	276,413

During the period, the group received £6,188,542 (2020 - £NIL) of restricted income under the Coronavirus Job Retention Scheme, a government grant that allows employers to place staff on temporary leave and claim the cost of up to 80% of the employees' payroll cost. There are no unfulfilled conditions or other contingencies attached to the grant.

The group also received £1,609,285 under the Cultural Recovery Fund scheme, a government grant providing emergency funding to culturally significant organisations. The grant is recognised over the expected period of interruption against expected costs incurred. There are no unfulfilled conditions or other contingencies attached to the grant.

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	615,839	598,614
Amortisation of goodwill	139,163	139,913
Operating lease rentals	421,904	528,445
Defined contribution pension cost	189,975	306,867

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the group's auditor for the audit of the group's annual financial statements	39,000	110,000
Fees payable to the group's auditor and its associates in respect of:		
All other services	35,000	-

In the prior period, auditor's remuneration was borne by the former ultimate parent of the company and amounted to £110,000 in respect of the audit and accounts preparation of the HQ Theatres & Hospitality Holdings Limited group.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

8. Employees

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

	Group 27 March 2021 £	Group 31 March 2020 £	Company 27 March 2021 £	Company 31 March 2020 £
Wages and salaries	8,941,015	12,145,417	-	-
Social security costs	488,095	911,837	-	-
Cost of defined contribution scheme	189,975	306,867	-	-
	<u>9,619,085</u>	<u>13,364,121</u>	<u>-</u>	<u>-</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Management	5	5	3	2
Administration	770	1,149	-	-
	<u>775</u>	<u>1,154</u>	<u>3</u>	<u>2</u>

During the period, no director received any emoluments (2020 - £NIL).

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

9. Discontinued operations

On 25 March 2021, the group disposed of its HQ Collection operations and investments in Colosseum Theatre Watford Limited, Hetherington Seelig Theatres Limited, The Tanglewood Restaurant Limited, Copper Horse Restaurant Limited and Grillhouse Restaurants Limited. The loss on disposal of HQ Collection and the subsidiary undertakings has been calculated as follows:

		£
Cash proceeds		(1)
		<u>(1)</u>
Net assets disposed of:		
Tangible fixed assets	2,906,456	
Stocks	33,256	
Intangible assets	177,998	
Debtors	629,240	
Cash	5,871	
Creditors	(942,090)	
		<u>(2,810,731)</u>
Loss on disposal before tax		<u><u>(2,810,730)</u></u>

The net outflow of cash in respect of the sale of HQ Collection and the subsidiary undertakings is as follows:

	£
Cash consideration	(1)
Cash transferred on disposal	5,871
Net outflow of cash	<u><u>5,870</u></u>

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	-	(14,578)
Adjustments in respect of previous periods	-	13
Total current tax	<u>-</u>	<u>(14,565)</u>
Deferred tax		
Origination and reversal of timing differences	69,334	(43,570)
Changes to tax rates	-	(3,643)
Total deferred tax	<u>69,334</u>	<u>(47,213)</u>
Taxation on profit/(loss) on ordinary activities	<u>69,334</u>	<u>(61,778)</u>

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	<u>(2,996,359)</u>	<u>541,402</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<u>(569,308)</u>	<u>102,866</u>
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	50,103	23,163
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	576,222	899
Fixed asset differences	-	42,248
Adjustments to tax charge in respect of prior periods	-	13
Adjust closing deferred tax rate	-	15,890
Non-taxable income	(179,105)	(67,310)
Enhanced theatres tax relief	-	(75,395)
Discontinued operations	194,075	-
Group relief	-	(142,888)
Other permanent differences	(2,653)	45,090
Deferred tax not recognised	-	(6,354)
Total tax charge for the period/year	<u>69,334</u>	<u>(61,778)</u>

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

10. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Parent company profit for the year

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 profit after tax of the parent company for the period from incorporation to 27 March 2021 was £NIL.

12. Intangible assets

Group

	Goodwill £
Cost	
At 1 April 2020	2,777,506
Disposals	(339,248)
At 27 March 2021	<u>2,438,258</u>
Amortisation	
At 1 April 2020	1,667,911
Charge for the period	139,163
On disposals	(161,250)
At 27 March 2021	<u>1,645,824</u>
Net book value	
At 27 March 2021	<u><u>792,434</u></u>
At 31 March 2020	<u><u>1,109,595</u></u>

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021**

13. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 April 2020	6,560,885	1,654,940	2,455,624	10,671,449
Additions	295,414	14,356	41,689	351,459
Disposals	(3,461,917)	(183,156)	(418,280)	(4,063,353)
At 27 March 2021	<u>3,394,382</u>	<u>1,486,140</u>	<u>2,079,033</u>	<u>6,959,555</u>
Depreciation				
At 1 April 2020	2,016,155	1,055,496	1,449,002	4,520,653
Charge for the period	365,107	90,924	159,808	615,839
Disposals	(706,060)	(130,943)	(232,613)	(1,069,616)
At 27 March 2021	<u>1,675,202</u>	<u>1,015,477</u>	<u>1,376,197</u>	<u>4,066,876</u>
Net book value				
At 27 March 2021	<u>1,719,180</u>	<u>470,663</u>	<u>702,836</u>	<u>2,892,679</u>
At 31 March 2020	<u>4,544,730</u>	<u>599,444</u>	<u>1,006,622</u>	<u>6,150,796</u>

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 April 2020	3,552
At 27 March 2021	<u>3,552</u>
Net book value	
At 27 March 2021	<u>3,552</u>
At 31 March 2020	<u>3,552</u>

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
HQ Theatres & Hospitality Limited	Holding company	Ordinary	100%
HQ Hospitality Limited*	Catering services	Ordinary	100%
HQ Theatres Limited*	Theatre management	Ordinary	100%
Southend Theatres Limited*	Theatre operation management	Ordinary	100%
Beck Theatre Limited*	Theatre operation management	Ordinary	100%
Wycombe Arts Management Limited*	Theatre operation management	Ordinary	100%
Wyvern Theatre Limited*	Theatre operation management	Ordinary	100%
White Rock Theatre Hastings Limited*	Theatre operation management	Ordinary	100%
Orchard Theatre Dartford Limited*	Theatre operation management	Ordinary	100%
HQ Theatres Guildford Limited*	Theatre operation management	Ordinary	100%
Lyceum Theatre Crewe Limited*	Theatre operation management	Ordinary	100%
HQ Theatres Bromley Limited*	Theatre operation management	Ordinary	100%
HQ Theatres Trust**	Charitable company	N/A	100%

All of the subsidiaries have been included in the consolidated accounts for the period ended 27 March 2021. The subsidiaries are registered in England and Wales and their registered office is Ashcombe Court, Woolsack Way, Godalming, GU7 1LQ.

*Held indirectly.

**HQ Theatres Trust is a registered charity, with charity number 1145989.

15. Stocks

	Group 27 March 2021 £	Group 31 March 2020 £
Finished goods and goods for resale	59,666	314,712

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

16. Debtors

	Group 27 March 2021 £	Group 31 March 2020 £	Company 27 March 2021 £	Company 31 March 2020 £
Trade debtors	182,922	754,992	-	-
Other debtors	11,638,065	22,000,591	3,551	3,551
Prepayments and accrued income	100,185	779,879	-	-
Tax recoverable	-	17,337	-	-
Deferred taxation	202,926	78,185	-	-
Grants receivable	154,682	121,678	-	-
	12,278,780	23,752,662	3,551	3,551

17. Cash and cash equivalents

	Group 27 March 2021 £	Group 31 March 2020 £
Cash at bank and in hand	949,891	2,256,974
Less: bank overdrafts	(90)	(8,161)
	949,801	2,248,813

18. Creditors: amounts falling due within one year

	Group 27 March 2021 £	Group 31 March 2020 £
Bank overdrafts	90	8,161
Other loans	60,925	-
Trade creditors	284,593	4,474,160
Corporation tax	77	77
Other taxation and social security	216,199	495,495
Other creditors	180,323	7,944,304
Accruals and deferred income	14,593,511	15,898,192
	15,335,718	28,820,389

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 MARCH 2021**

19. Creditors: amounts falling due after more than one year

	Group 27 March 2021 £	Group 31 March 2020 £
Other loans	426,474	487,399
Government grants received	9,703	9,703
	<u>436,177</u>	<u>497,102</u>

The loan was received from Dartford Borough Council and was used for refurbishment works.

20. Loans

Analysis of the maturity of loans is given below:

	Group 27 March 2021 £	Group 31 March 2020 £
Amounts falling due within one year		
Other loans	60,925	-
Amounts falling due 1-2 years		
Other loans	60,925	60,925
Amounts falling due 2-5 years		
Other loans	182,775	182,774
Amounts falling due after more than 5 years		
Other loans	182,774	243,700
	<u>487,399</u>	<u>487,399</u>

The loan carries interest at a rate of 3% per annum and is repayable in equal monthly instalments from 1 April 2021 to 1 March 2030.

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

21. Financial instruments

	Group 27 March 2021 £	Group 31 March 2020 £	Company 27 March 2021 £	Company 31 March 2020 £
Financial assets				
Financial assets measured at fair value through profit or loss	949,891	2,256,974	-	-
Financial assets that are debt instruments measured at amortised cost	11,992,917	22,770,240	3,551	3,551
	<u>12,942,808</u>	<u>25,027,214</u>	<u>3,551</u>	<u>3,551</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(1,227,073)	(16,094,618)	-	-

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by related undertakings, other debtors, grants receivable and accrued income.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, amounts owed to related undertakings, other creditors, accruals and other loans.

22. Deferred taxation

Group

	2021 £
At beginning of year	78,185
Profit or loss account movement	124,741
At end of year	202,926

	Group 27 March 2021 £	Group 31 March 2020 £
Fixed asset timing differences	(348,502)	(361,121)
Tax losses carried forward	573,336	420,581
Short term timing differences	10,529	18,725
Disposal of subsidiary	(32,437)	-
	202,926	78,185

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

23. Share capital

	27 March 2021 £	31 March 2020 £
Allotted, called up and fully paid		
710,300 (2020 - 710,300) ordinary shares of £0.01 each	7,103	7,103

There is a single class of ordinary shares. There are no restrictions on the distribution of the dividends and the repayment of capital.

24. Reserves

Merger Reserve

A reserve credited in place of a share premium account when merger relief is applied.

25. 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. The pension cost charge represents contributions payable by the group to the fund and amounted to £189,975 (2020 - £306,867). Contributions totalling £57,706 (2020 - £103,813) were payable to the fund at the balance sheet date and are included in creditors.

26. Commitments under operating leases

At 27 March 2021, the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 27 March 2021 £	Group 31 March 2020 £
Buildings		
Not later than 1 year	77,500	77,500
Later than 1 year and not later than 5 years	35,247	112,747
	112,747	190,247
	Group 27 March 2021 £	Group 31 March 2020 £
Other		
Not later than 1 year	4,223	17,419
Later than 1 year and not later than 5 years	2,787	7,243
	7,010	24,662

HQ THEATRES & HOSPITALITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2021

27. Related party transactions

Transactions with Directors of the company have been disclosed in Note 8.

The company's related party transactions with wholly owned subsidiaries have not been disclosed in accordance with Section 33 paragraph 33.1A of FRS 102. Related party transactions with other entities were as follows:

During the period, the group received printing services totalling £40,779 (2020 - £626,449) and other services totalling £3,440,586 (2020 - £Nil) from companies under common control.

The group had net expenses paid on its behalf and received working capital assistance totalling £19,513,312 (2020 - £13,000) and provided working capital assistance of £9,466,172 (2020 - £790,900) to companies under common control.

At the balance sheet date, the companies under common control owed the group £Nil (2020 - £21,711,755) and the group owed the companies under common control £Nil (2020 - £8,183,249).

28. Post balance sheet events

HQ Theatres & Hospitality Holdings venues have remained closed for business for the period to 27th March 2021. All shows and events were either rescheduled to later in 2021 or cancelled. Despite the roll out of the vaccine the venues were not able to open up to the public until August 2021 onwards. In order to mitigate the financial impact on the company, the directors have continued to take advantage of Government support where available.

29. Controlling party

During the period, the ultimate controlling party was N J Thomas MBE. On 27 March 2021, the immediate parent company became Trafalgar Entertainment Group Limited. Barings Asset-Based Income Fund (US), LP is considered the ultimate controlling party by virtue of its majority shareholding in Trafalgar Entertainment Group Limited.

The results of the HQ Theatres & Hospitality Holdings group to 29 February 2020 were consolidated in the group accounts of Qdos Entertainment Limited for the period then ended. Results of the HQ Theatres & Hospitality Holdings group to 9 March 2020 have been consolidated in Qdos Entertainment Holdings Limited's group accounts for the period ended 31 March 2021. These financial statements can be obtained from the registered office of Qdos Entertainment Limited and Qdos Entertainment Holdings Limited: Elsley Court, 20-22 Great Titchfield Street, London, W1W 8BE.