

17 Cherry Tree Lane Limited

Report and Financial Statements

Year Ended

31 March 2020

Company Number 2423256

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17 Cherry Tree Lane Limited

**Report and financial statements
for the year ended 31 March 2020**

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Directors

A A Finch CBE
R T Knibb
F R Pappas

Secretary and registered office

R T Knibb, 1 Bedford Square, London, WC1B 3RB

Company number

2423256

Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

17 Cherry Tree Lane Limited

Directors' report for the year ended 31 March 2020

The directors present their report together with the audited financial statements for the year ended 31 March 2020.

Results and dividends

The income statement and statement of comprehensive income is set out on page 7 and shows the profit for the year.

A dividend was paid during the year of £7,982,970 (2019 - £3,818,251).

Principal activities, business review and future developments

The principal activities of the company is ownership of the entire issued share capital of Cameron Mackintosh Inc, an unlisted company incorporated in the United States of America. The principal activities of Cameron Mackintosh Inc are the production and management of theatrical shows in North America and the ownership of the entire share capital of MTI Group Inc. MTI Group Inc indirectly owns 100% of the issued ordinary share capital of MTI Enterprises Inc and Music Theatre International LLC. The principal activity of both these companies is the holding of music licences and granting rights thereto.

In March 2020, the United States declared the global pandemic COVID 19 outbreak a national emergency and this has had a direct effect on the companies ability to trade normally and to licence rights to customers to perform live theatre. Whilst management continues to evaluate the impact that these economic uncertainties have, based on assessments they have made of the financial situation of the companies, they have concluded they have a reasonable expectation that the companies have adequate resources to continue in operational existence for the foreseeable future.

Directors

The directors of the company during the year were:

N D Allott OBE (resigned 26 August 2020)
A A Finch CBE (appointed 26 August 2020)
R T Knibb (appointed 25 August 2020)
F R Pappas

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company has very little overheads or liabilities, current liabilities can be serviced through the current cash available in the business.

The Directors confirm that they have complied with the requirements of Companies Act 2006. The Directors have considered the impact which the current economic downturn, triggered by COVID-19 could have on the ability of the company to continue as a going concern. Based on the assessment they have made of the company's financial situation; they have concluded they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the accounts.

As such, the Directors have adopted the going concern basis in preparing the Annual Report and Financial Statements.

17 Cherry Tree Lane Limited

Directors' report for the year ended 31 March 2020 (*continued*)

Statement as to disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Auditor

The auditor, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the Board:



R T Knibb
Secretary

Date 03/03/2021

17 Cherry Tree Lane Limited

Directors' responsibilities statement for the year ended 31 March 2020

The directors are responsible for preparing the 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

17 Cherry Tree Lane Limited

Independent auditor's report

TO THE MEMBERS OF 17 CHERRY TREE LANE LIMITED

Opinion

We have audited the financial statements of 17 Cherry Tree Lane Limited ("the Company") for the year ended 31 March 2020 which comprise the income statement and statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, 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 Company's affairs as at 31 March 2020 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. 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 Director's 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.

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Independent auditor's report (continued)

Other information

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

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

We have nothing to report in this regard.

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 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 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; or
- 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, 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.

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Independent auditor's report (*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.

BDO LLP

Andrew Viner (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date 4 March 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

17 Cherry Tree Lane Limited

Income statement and statement of comprehensive income for the year ended 31 March 2020

	Note	2020 £	2019 £
Administrative costs		(2,940)	(3,151)
Exchange gain		27,243	36,533
Operating profit	5	24,303	33,382
Interest receivable		-	224
Dividend receivable		7,982,970	3,818,251
Profit on ordinary activities before taxation		8,007,273	3,851,857
Taxation	6	13,954	6,385
Profit on ordinary activities after taxation and total comprehensive income attributable to the owners of the parent company.		7,993,319	3,845,472

All amounts relate to continuing activities.

The notes on pages 10 to 15 form part of these financial statements.

17 Cherry Tree Lane Limited

Balance sheet at 31 March 2020

Company number 2423256	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	8		11,187,740		11,187,740
Current assets					
Debtors	9			460,691	
Cash at bank and in hand		597,645		122,087	
		<u>597,645</u>		<u>582,778</u>	
Creditors: amounts falling due within one year	10	<u>7,618</u>		<u>3,100</u>	
Net current assets			<u>590,027</u>		<u>579,678</u>
Total assets less current liabilities			<u>11,777,767</u>		<u>11,767,418</u>
Capital and reserves					
Called up share capital	11		11,687,674		11,687,674
Profit and loss account			90,093		79,744
Shareholders' funds			<u>11,777,767</u>		<u>11,767,418</u>

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

The financial statements were approved by the Board of Directors on 03/03/2021 and were signed on its behalf by:



A A Finch CBE
Director

The notes on pages 10 to 15 form part of these financial statements.

17 Cherry Tree Lane Limited

Statement of changes in equity for the year ended 31 March 2020

	Share capital £	Profit and loss account £	Total equity £
31 March 2018	11,687,674	52,523	11,740,197
Total comprehensive income for the year ended 31 March 2019	-	3,845,472	3,845,472
Contributions by and distributions to owners			
Dividends paid	-	(3,818,251)	(3,818,251)
31 March 2019	11,687,674	79,744	11,767,418
Total comprehensive income for the year ended 31 March 2020	-	7,993,319	7,993,319
Contributions by and distributions to owners			
Dividends paid	-	(7,982,970)	(7,982,970)
31 March 2020	11,687,674	90,093	11,777,767

The notes on pages 10 to 15 form part of these financial statements.

17 Cherry Tree Lane Limited

Notes forming part of the financial statements for the year ended 31 March 2020

1 Statutory information

17 Cherry Tree Lane Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the directors' report.

2 Accounting policies

Basis of measurement

The financial statements have been prepared on a historical cost basis.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

Going Concern

As noted in the directors' report the financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company have very little overheads or liabilities, current liabilities can be serviced through the current cash available in the business.

The Directors confirm that they have complied with the requirements of Companies Act 2006. The Directors have considered the impact which the current economic downturn, triggered by COVID-19 could have on the ability of the company to continue as a going concern. Based on the assessment they have made of the company's financial situation, they have concluded they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the accounts.

As such, the Directors have adopted the going concern basis in preparing the Annual Report and Financial Statements.

The following principal accounting policies have been applied:

Turnover

Where no controlling interest in the management of theatrical shows is held turnover represents net income from productions. Where a controlling interest is held, turnover represents gross turnover for the production, with the associated production costs relating to these shows being presented as cost of sales.

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

17 Cherry Tree Lane Limited

Notes forming part of the financial statements for the year ended 31 March 2020 (continued)

2 Accounting policies (continued)

Current and deferred taxation

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

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 the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Disclosure exemptions

As 17 Cherry Tree Lane Limited is a wholly owned subsidiary of Cameron Mackintosh Limited, and its financial statements are included in the consolidated financial statements of that company, the company has elected to adopt the following disclosure exemptions permitted by FRS 102:

- No cash flow statement has been presented.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.
- Disclosures in respect of financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.
- The company has taken advantage of related party exemption, under the terms of Financial Reporting Standard 102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

Dividends

Equity dividends are recognised when they become legally payable.

Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

17 Cherry Tree Lane Limited

Notes forming part of the financial statements
for the year ended 31 March 2020 (continued)

3 Key estimates and judgements

The preparation of the accounts require management to make estimates and judgements and form assumptions that affect the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the financial statements are:

- Determine whether there are indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the subsidiary.

4 Employees

The company has no employees.

The directors are the only employees of the company for the year. The directors did not received any emoluments during the current or preceding year.

5 Operating profit

	2020 £	2019 £
This is arrived at after charging/(crediting):		
Auditor's remuneration - audit services	2,900	3,100
Exchange (gain)	(27,243)	(36,533)

17 Cherry Tree Lane Limited

Notes forming part of the financial statements
for the year ended 31 March 2020 (continued)

6 Taxation on profit on ordinary activities

	2020 £	2019 £
(a) UK corporation tax on profit for the year at current rates	4,618	6,385
Overseas taxation - prior years	9,336	-
Total tax	13,954	6,385

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

	2020 £	2019 £
Profit on ordinary activities before tax	8,007,273	3,851,857
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,521,382	731,853
Effects of:		
Non taxable income	(1,516,764)	(725,468)
Overseas taxation – prior years	9,336	-
Total tax charge for the year	13,954	6,385

7 Dividends on ordinary shares

	2020 £	2019 £
Final dividend paid of £7,982,970 68.30p per share (2019 - £3,818,251 32.67p per share)	7,982,970	3,818,251

17 Cherry Tree Lane Limited

Notes forming part of the financial statements
for the year ended 31 March 2020 (continued)

8 Fixed asset investments

	Shares in associated undertakings £
Cost	
Balance at 1 April 2019 and 31 March 2020	11,187,740

The company owns 100% of the issued ordinary share capital of Cameron Mackintosh Inc, an unlisted company incorporated in the United States of America. The principal activities of Cameron Macintosh Inc are the production and management of theatrical shows in North America and the ownership of the entire share capital of MTI Group Inc. MTI Group Inc indirectly owns 100% of the issued share capital of MTI Enterprises Inc and Music Theatre International LLC. The principal activity of both these companies is the holding of music licences and granting rights thereto.

9 Debtors

	2020 £	2019 £
Amounts owed by parent company	-	451,805
Overseas taxation recoverable	-	8,886
	-	460,691

All amounts shown under debtors fall due for payment within one year.

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	3,000	3,100
Amounts owed to parent company	4,618	-
	7,618	3,100

17 Cherry Tree Lane Limited

Notes forming part of the financial statements
for the year ended 31 March 2020 (continued)

11 Called up share capital

	2020 £	2019 £
<i>Authorised, allotted, called up and fully paid</i>		
11,687,674 (2019 – 11,687,674) ordinary shares of £1 each	11,687,674	11,687,674

All shares have equal voting rights.

12 Ultimate parent company

The ultimate parent company is Cameron Mackintosh Limited which is the parent of both the smallest and largest groups of which the company is a member.

The ultimate controlling party is Sir Cameron Mackintosh.

Copies of the consolidated financial statements of Cameron Mackintosh Limited are available from Companies House.