Registered number: 6836599





John Gore UK Theatre Company Limited

Director's Report and Financial Statements

For the year ended 30 June 2021

# Contents of the Financial Statements For the year ended 30 June 2021

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# **Company Information**

Director

John E Gore

Registered number

6836599

Registered office

Corporation Service Company (UK) Limited

5 Churchill Place 10th Floor London E14 5HU

Independent auditors

Ernst & Young LLP Bedford House 16 Bedford Street

Belfast BT2 7DT

**Bankers** 

JP Morgan Chase Bank NA

125 London Wall

London EC2Y 5AJ

**Solicitors** 

Lewis Silkin LLP 5 Chancery Lane Cliffords Inn London EC4A 1BL

### Director's report

The director presents his report and the audited financial statements for the year ended 30 June 2021.

### Principal activity

The principal activity of the company is the investment in, and production of, West End, touring and other theatrical performances. During the period from incorporation, the company has been incurring expenses arising from the staging of theatrical productions in the United Kingdom but there has been limited activity, limited activity during the year ended 30 June 2021 for post close payments on shows that closed during the prior year. The loss for the year ended 30 June 2021 amounted to £29,236 (2020: loss of £372,859).

#### Director

The director who served during the year and up to the date of approval of the financial statements was as follows:

John E Gore

### Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- . so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he 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's auditors are aware of that information.

## **Future Developments**

There are no changes planned to the principal activity of the company.

# **Going Concern**

The sudden and unprecedented outbreak of the COVID-19 pandemic had a substantial adverse impact on the theatrical entertainment industry worldwide including on the company's invested shows, each of which was forced to suspend performances in March 2020. The impact of COVID-19 on the industry continues to evolve. However, as at the date of approval of these financial statements, the ability to control ill effects of virus with vaccines and antiviral medication have improved, permitting performance venues to largely remain open. Further government restriction on the industry appears unlikely to occur and should restrictions be reimposed, they are likely to be short-lived. The company holds cash reserves in its bank accounts of £352,479 as of 31 January 2022. The director has prepared projections of fixed costs through 31 March 2023, and these together with the reserves held, indicate that the company has adequate resources to continue its operations. Therefore, the director considers it appropriate to continue to adopt the going concern basis in preparing the company's financial statements. The Company has amounts due to creditors of £2,623,167 as of the financial statement date, of which £2,598,967 related to amounts owed to group undertakings. The Parent Company has asserted that it will not demand repayment of amounts owed to group undertakings until 31 March 2023. It is on this basis that the director deems it appropriate to prepare the financial statements on a going concern basis.

# Director's report (continued)

# **Post Balance Sheet Event**

On 11 February 2022, the Company invested £50,728 into a West End London theatrical production.

## **Auditors**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

# Small companies' exemptions

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The director has also taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 not to provide a strategic report.

This report was approved by the board on 03 March 2022 and signed on its behalf.

John E Gore Director

# Director's responsibilities statement For the year ended 30 June 2021

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. The director is 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.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JOHN GORE UK THEATRE COMPANY LIMITED

### Opinior

We have audited the financial statements of John Gore UK Theatre Company Limited for the year ended 30 June 2021 which comprise of the Profit and Loss Account, the Balance Sheet and the Statement of Changes in Equity and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2021 and of its loss for the year then ended;
- · have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

In auditing the financial statements, we have concluded that the director's 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 company's ability to continue as a going concern for a period to 31 March 2023.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

# 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 director is 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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JOHN GORE UK THEATRE COMPANY LIMITED (CONTINUED)

## 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's 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 director's remuneration specified by law are not made; or
- · we have not received all the information and explanations we require for our audit; or
- the director was 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 Director's report and from the requirement to
  prepare a Strategic report.

## Responsibilities of director

As explained more fully in the director's responsibilities statement set out on page 4, the director is 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 director determines 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 director is 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 director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# 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.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JOHN GORE UK THEATRE COMPANY LIMITED (CONTINUED)

# Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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, forgery or intentional misrepresentations, or through collusion The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and
  determined that the most significant are those that relate to the reporting framework (FRS 102 "The Financial
  Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006) and the relevant
  direct and indirect tax compliance regulations in the United Kingdom. The Company also complies with laws and
  regulations relating to its operations, general data protection regulation ('GDPR'), the Bribery Act 2010 and antimoney laundering legislation.
- We understood how the company is complying with those frameworks by making enquiries of management to
  understand how the company maintains and communicates its policies and procedures in these areas. We
  corroborated our enquiries through review of the following documentation: all minutes of board meetings held during
  the year and any relevant correspondence with local tax authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud
  might occur by considering the controls that the company established to address risks identified by the company or
  that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level controls and
  policies that the company applies.
- Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such
  laws and regulations identified above. Our procedures involved testing of journal entries, with a focus on journals
  indicating large or unusual transactions or meeting our defined risk criteria based on our understanding of the
  business and enquiries with management.

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.

Neil Warnock (Senior statutory auditor)

Emob+ Young LLP

for and on behalf of Ernst & Young LLP, Statutory Auditor

Belfast

Date: 3 March 2022

# Profit and loss account for the year ended 30 June 2021

	Note	2021	2020 £
	Note	£	ı.
Turnover Cost of Sales	**************************************	14,500	215,224 (549,075)
Gross profit/ (loss)		14,500	(333,851)
Administrative expenses	·	(43,736)	(39,008)
Operating loss	2	(29,236)	(372,859)
Loss on ordinary activities before taxation		(29,236)	(372,859)
Tax on loss on ordinary activities	3	-	
Loss for the financial year		(29,236)	(372,859)

The notes on pages 11 to 16 form part of these financial statements.

# Balance sheet as at 30 June 2021

				·	
	Note	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	4		-		-
Current assets					
Debtors	5	1,163		2,822	
Cash at bank		386,200		400,245	
		387,363		403,067	
Creditors: amounts falling due within one year	6	(2,623,167)		(2,609,635)	
Net current liabilities			(2,235,804)		(2,206,568)
Net liabilities			(2,235,804)		(2,206,568)
Capital and reserves					
Called up share capital	7		1		1
Profit and loss account			(2,235,805)		(2,206,569)
Shareholder deficit			(2,235,804)		(2,206,568)

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved by the Board on 03 March 2022 and were signed on its behalf by:

John E Gore

Director

The notes on pages 11 to 16 form part of these financial statements.

# Statement of Changes in Equity for the year ended 30 June 2021

	Called up Share Capital £	Profit and loss account £	Total capital and reserves £
Balance as at 30 June 2019	1	(1,833,710)	(1,833,709)
Total comprehensive loss for the financial year	-	(372,859)	(372,859)
Balance as at 30 June 2020	1	(2,206,569)	(2,206,568)
Total comprehensive loss for the financial year	-	(29,236)	(29,236)
Balance as at 30 June 2021	1	(2,235,805)	(2,235,804)

Share capital represents the nominal value of shares that have been issued. Profit and loss account includes all current year and prior period retained profits and losses.

The notes on pages 11 to 16 form part of these financial statements.

### 1. Accounting policies

### 1.1 Statutory Information

John Gore UK Theatre Company Limited is a private company, limited by shares, registered and domiciled in England and Wales.

#### 1.2 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company's functional and presentational currency is the pound sterling. Amounts are rounded to the nearest pound.

# 1.3 Fundamental accounting concept – Going concern

In order to assess whether it is appropriate for the company to be reported as a going concern, the Directors considered the company's business activities and principal risks and uncertainties and applied judgement to conclude that the accounts should be prepared on a going concern basis.

The sudden and unprecedented outbreak of the COVID-19 pandemic had a substantial adverse impact on the theatrical entertainment industry worldwide including on the company's invested shows, each of which was forced to suspend performances in March 2020. The impact of COVID-19 on the industry continues to evolve. However, as at the date of approval of these financial statements, the ability to control ill effects of virus with vaccines and antiviral medication have improved, permitting performance venues to largely remain open. Further government restriction on the industry appears unlikely to occur and should restrictions be reimposed, they are likely to be short-lived. The company holds cash reserves in its bank accounts of £352,479 as of 31 January 2022. The director has prepared projections of fixed costs through 31 March 2023, and these together with the reserves held, indicate that the company has adequate resources to continue its operations. Therefore, the director considers it appropriate to continue to adopt the going concern basis in preparing the company's financial statements. The Company has amounts due to creditors of £2,623,167 as of the financial statement date, of which £2,598,967 related to amounts owed to group undertakings. The Parent Company has asserted that it will not demand repayment of the amounts owed to group undertakings until 31 March 2023. It is on this basis that the director deems it appropriate to prepare the financial statements on a going concern basis.

### 1.4 Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## 1. Accounting policies (continued)

### 1.4 Taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### 1.5 Turnover

Turnover comprises the amounts receivable, exclusive of Value Added Tax, for profits received from third parties from investments made in theatrical productions (see note 1.6 below). All turnover in the current and prior period originated in the UK.

# 1.6 Intangible fixed assets - investments in theatrical partnerships

As part of its operations, the company invests in certain assets or rights to use assets, generally in theatrical partnerships. These intangibles give the company the right to participate in the profits of productions it funds as funds become available. When the investment has been repaid in full, the right to participate in profits continues throughout the life of each production.

The director reviews the value of these intangibles and record impairment charges or any decline in value that is determined to be other than temporary. Determining the fair value of theatrical partnerships requires reliance on management's judgment and often involves the use of significant estimates and assumptions, including assumptions regarding future cash flows and expected asset lives amongst other things.

Investments in theatre productions are not amortised but stated at cost, less any provision for impairment and less any amounts recouped.

### 1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

## 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand.

# 1.9 Share capital disclosure

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

# 1.10 Distribution to equity holders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

# 1. Accounting policies (continued)

### 1.11 Financial Instruments Disclosure

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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

# 1.12 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The most significant techniques for estimation are described in the accounting policies above.

# 2. Operating loss

The operating loss is stated after charging:

	2021	2020
	£	£
Impairment - investments in theatrical partnerships	-	578,563
Auditor's remunerations for audit services	13,000	13,000

During the year, no director received any emoluments as those services are incidental to their responsibilities. (2020:£nil)

## 3. Tax on loss on ordinary activities

### Analysis of the tax charge

No liability to UK Corporation Tax arose on ordinary activities for the year ended 30 June 2021 nor for the year ended 30 June 2020. The company has no tax charge in the current or prior period

### Reconciliation of total tax charge included in profit and loss

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2020: 19%). The difference is explained below:

Loss on ordinary activities before taxation	2021 £ (29,236)	2020 £ (372,859)
Loss multiplied by the standard rate of corporation tax in the UK of 19%	(5,555)	(70,843)
Effects of: Utilisation of tax losses Unrecognised deferred tax	5,555	70,843
Total tax charge		-

#### Tax Losses

The company has unutilised tax losses of £1,880,794 (2020 - £1,851,558) which are available against future taxable profits.

### **Deferred Tax**

A deferred tax asset has not been recognised in respect of tax losses of £1,880,794 (2020 - £1,851,558) at a tax rate of 25% (2020 - 19%), these losses represent a potential tax asset of £470,199 (2020 - £351,796). These losses would be recoverable in the event of taxable profits arising in this company.

# Factors that may affect future tax charges

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 25%. Unrecognised deferred taxes on the balance sheet have been measured at 19% (2020 – 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted as of the balance sheet date (on 24 May 2021) and hence have been reflected in the measurement of deferred tax balances at the period end.

4.	Intangible fixed assets		Investments in theatrical partnerships £
	Cost		
	At 1 July 2020 Additions		1,965,743
	Repayments		
	At 30 June 2021		1,965,743
	Amortisation		
	At 1 July 2020 Charge for the year		1,965,743
	At 30 June 2021		1,965,743
	Net book value		٠
	At 30 June 2021		-
	At 30 June 2020		-
	•		
5.	Debtors		
		2021 £	2020 £
	Other debtors	1,163	2,822
6.	Creditors: Amounts falling due within one year		
		2021 £	2020 . £
	Amounts owed to group undertakings Other creditors and accruals	2,598,967 24,200	2,590,977 18,658
		2,623,167	2,609,635

Amounts to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Therefore, the company presents this balance as current.

Joh	n Gore UK Theatre Company Limited		
7.	Called up share capital		
		2021 £	2020 £
	Allotted, called up and fully paid		
	1- Ordinary share of £1 (2020: 1- Ordinary share of £1)	1	1

# 8. Post Balance Sheet Event

On 11 February 2022, the Company invested £50,728 into a West End London theatrical production.

## 9. Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with its parent or with members of the same group that are wholly owned.

# 10. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is The John Gore Organization Inc. a corporation registered in Delaware, USA.

The largest and smallest group for which consolidated financial statements are prepared which include John Gore Theatre Company Limited is that of The John Gore Organization Inc.

The accounts of The John Gore Organization Inc. are not publicly available.

The controlling party of John Gore UK Theatre Company Limited is John E Gore.