Company Registration No. 02228390

New London Theatre Limited

Annual Report and Financial Statements

For the 53 week period ended 3 July 2016

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New London Theatre Limited

Annual Report and financial statements for the 53 week period ended 3 July 2016

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Officers and professional advisers

Directors

B D Chakraborty (resigned 24 August 2016)
M G Wordsworth
D J Freeman (appointed 23 August 2016)
R Kane Burton (appointed 28 September 2016)

Registered Office

65 Drury Lane
London
WC2B 5SP

Bankers

Handelsbanken
London Holborn
2nd Floor
1 Kingsway
London
WC2B 6AN

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

New London Theatre Limited

Directors' report

The directors present their annual report and the audited financial statements for the 53 week period ended 3 July 2016 (2015: 52 week period ended 28 June 2015).

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006.

Dividends

The directors do not recommend the payment of a dividend (2015: £nil).

Directors

The directors, who served throughout the period and to the date of this report, were as follows:

B D Chakraborty (resigned 24 August 2016)
M G Wordsworth
D J Freeman (appointed 23 August 2016)
R Kane Burton (appointed 28 September 2016)

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found within the principal accounting policies in the notes to the financial statements.

Auditor

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

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

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

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

M G Wordsworth
Director
23 May 2017
65 Drury Lane, London, WC2B 5SP

New London Theatre Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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), including FRS 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 of the profit or loss of the company for that year. 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;
- 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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of

New London Theatre Limited

We have audited the financial statements of New London Theatre Limited for the 53 week period ended 3 July 2016 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 July 2016 and of its profit 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of

New London Theatre Limited (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report, and in preparing the Directors' Report.

Hannah Pop

Hannah Pop (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

23 May 2017

New London Theatre Limited

Profit and loss account
For the 53 week period ended 3 July 2016

	Notes	period ended 3 July 2016 £	period ended 28 June 2015 £
Turnover	3	646,175	639,380
Administrative expenses		(3,916)	(4,175)
Operating profit		**642,259**	**635,205**
Share of results of associated undertakings		800,002	-
Finance costs (net)	4	12	12
Profit on ordinary activities before taxation	5	**1,442,273**	**635,217**
Tax on profit on ordinary activities	8	(128,587)	(131,795)
Profit for the financial period		1,313,686	503,422

All activities relate to continuing operations.

No statement of comprehensive income has been presented on the grounds that there are no differences between reported profit and comprehensive income in either the current or prior period.

The accompanying notes form an integral part of this profit and loss account.

New London Theatre Limited

Balance sheet
As at 3 July 2016

	Notes	3 July 2016 £	28 June 2015 £
Fixed assets			
Tangible fixed assets	9	2,725,019	2,725,019
Investments	10	850,100	850,100
		3,575,119	3,575,119
Current assets			
Debtors	11	10,021,191	8,088,487
Cash at bank and in hand		336,683	827,570
		10,357,874	8,916,057
Creditors (amounts falling due within one year)	12	(410,480)	(282,349)
Net current assets		9,947,394	8,633,708
Net assets		13,522,513	12,208,827
Capital and reserves			
Called-up share capital	14	100	100
Profit and loss account		13,522,413	12,208,727
Shareholder's funds		13,522,513	12,208,827

The accompanying notes form an integral part of this balance sheet.

The financial statements of New London Theatre Limited, registered number 02228390, were approved by the Board of Directors and authorised for issue on 23 May 2017.

They were signed on its behalf by:

D J Freeman
Director

New London Theatre Limited

Statement of changes in equity
For the period ended 3 July 2016

	Called-up share capital £	Profit and loss account £	Total £
At 29 June 2014	**100**	**11,705,305**	**11,705,405**
Total comprehensive income		503,422	503,422
At 28 June 2015	**100**	**12,208,727**	**12,208,827**
Total comprehensive income		1,313,686	1,313,686
At 3 July 2016	**100**	**13,522,413**	**13,522,513**

Notes to the financial statements
For the 53 week period ended 3 July 2016

1. Principal accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and also the preceding financial period.

a. General information and basis of accounting

New London Theatre Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior financial statements were restated for material adjustments on adoption of FRS 102 in the current period. No material adjustments were made on adoption of FRS 102. For more information see note 18.

The functional currency of New London Theatre Limited is considered to be pounds Sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds Sterling. Foreign operations are included in accordance with the policies set out below.

New London Theatre Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

The company's accounting period covers the 53 weeks ended 3 July 2016. The comparative period covered the 52 weeks ended 28 June 2015.

b. Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report on page 2. The strategic report and the directors' report on pages 2 to 3 describes the financial position of the company; liquidity position and borrowing facilities; the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The group has in place a credit facility, to which the company has access, in order to meet its day-to-day working capital requirements.

The company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the group should be able to operate within the level of its current facility.

On 26 August 2016 the group re-financed its debt with Handelsbanken. The group's new banking facility with Handelsbanken is due for repayment in August 2023.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Notes to the financial statements
For the 53 week period ended 3 July 2016

1. **Principal accounting policies (continued)**

c. Tangible fixed assets

The company does not depreciate its freehold theatre. The property is regularly maintained to a high standard and the costs of maintenance are charged to the profit and loss account as incurred. Consequently the directors believe that, after taking into account the residual value of the property based on prices prevailing at the date of acquisition or subsequent revaluation, any element of depreciation would be immaterial. The directors perform an impairment review of the value of the theatre annually. Any impairment would be charged through the profit and loss account in the period in which it was identified.

Non depreciation of freehold land and buildings represents a departure from the Companies Act 2006. The directors believe that this treatment ensures that the financial statements show a true and fair view.

d. Revaluation of properties

Individual freehold properties are revalued to fair value every year with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. An independent valuation is carried out every three years, with the most recent having been carried out by Colliers International in October 2015 on the basis of open market valuation in accordance with the *The Royal Institution of Chartered Surveyors valuation standards – Global and UK, 7th edition.*

e. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group'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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Notes to the financial statements
For the 53 week period ended 3 July 2016

1. **Principal accounting policies (continued)**

d. Taxation (continued)

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

e. Turnover

Turnover and profit before taxation derive from rental income and managements fee from joint venture in The Adelphi Theatre Company Limited. Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

f. Leases

The company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

g. Investment

In the Company balance sheet, investments in associates are measured at cost less impairment.

2. **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors have not needed to provide estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Notes to the financial statements
For the 53 week period ended 3 July 2016

3. Turnover

An analysis of the company's turnover is shown by class of business below:

	3 July 2016 £	28 June 2015 £
Theatre operations	646,175	639,380
	646,175	639,380

An analysis of the company's turnover is shown by geographical origin below:

	3 July 2016 £	28 June 2015 £
United Kingdom	646,175	639,380
	646,175	639,380

An analysis of the company's turnover is as follows:

	3 July 2016 £	28 June 2015 £
Management fee income	158,675	156,776
Rental income	487,500	482,604
	646,175	639,380

4. Finance cost (net)

	3 July 2016 £	28 June 2015 £
Bank interest receivable	12	12

5. Profit on ordinary activities before taxation

The analysis of the auditor's remuneration is as follows:

	3 July 2016 £	28 June 2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,875	4,000

No amounts for other services have been paid to the auditor (2015: £nil).

Notes to the financial statements
For the 53 week period ended 3 July 2016

6. Staff costs

The company did not incur any current or prior period staff costs. No staff were employed directly by the company in either the current or prior period.

7. Directors' emoluments

The directors received no remuneration from the company during the period (2015: £nil). Directors are remunerated by group holding companies. It is impractical to split this remuneration between group subsidiaries.

8. Tax on profit on ordinary activities

The tax charge comprises:	3 July 2016 £	28 June 2015 £
Current year corporation tax	128,163	131,440
Total current tax charge	128,163	131,440
Deferred tax		
Deferred tax charge	424	355
Total deferred tax (see note 13)	424	355
Total profit and loss account tax charge	128,587	131,795

Notes to the financial statements
For the 53 week period ended 3 July 2016

8. Tax on profit on ordinary activities (continued)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	3 July 2016	28 June 2015
	£	£
Profit on ordinary activities before tax	1,442,273	635,217
Tax on profit on ordinary activities at standard UK corporation rate of 20% (2015: 20.75%)	288,455	131,808
Effects of:		
- Expenses not deductible for tax purposes	2	-
- Dividend income not subject to corporation tax	(160,000)	-
- Rate difference	132	-
- Other	(2)	(13)
Total tax charge	128,587	131,795

9. Tangible fixed assets

	Freehold land and buildings £	Total £
Cost		
At 29 June 2015	3,088,501	3,088,501
At 3 July 2016	3,088,501	3,088,501
Depreciation		
At 29 June 2015	(363,482)	(363,482)
At 3 July 2016	(363,482)	(363,482)
Net book value		
At 3 July 2016	2,725,019	2,725,019
At 28 June 2015	2,725,019	2,725,019

The land and buildings were valued by Colliers International in October 2015 on the basis of open market valuation in accordance with *The Royal Institution of Chartered Surveyors valuation standards – Global and UK, 7th edition.* This valuation supported the book value recorded above and the directors consider the book values above not to be impaired.

Freehold land and buildings with a carrying amount of £3m (2015: £3m) have been pledged to secure borrowings of the Group. The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Notes to the financial statements
For the 53 week period ended 3 July 2016

10. Investments

	2016 £	2015 £
Joint venture	850,100	850,100

	Country of incorporation or principal business address	Principal activity	Holding	%
Joint venture				
The Adelphi Theatre Company Limited	A company incorporated in the United Kingdom	Theatre management	Ordinary shares	50

New London Theatre Limited has a 50 per cent interest in The Adelphi Theatre Company Limited, a company incorporated in the United Kingdom. The Adelphi Theatre Company Limited's registered head office is 65 Drury Lane, London WC2B 5SP.

11. Debtors (amounts falling due within one year)

	2016 £	2015 £
Trade debtors	-	2,100
Amounts owed by parent undertakings	10,020,000	8,084,772
Deferred tax asset (see note 13)	1,191	1,615
	10,021,191	8,088,487

12. Creditors (amounts falling due within one year)

	2016 £	2015 £
Group relief owed to group undertakings	398,630	270,467
VAT	7,975	7,893
Accruals and deferred income	3,875	3,989
	410,480	282,349

Notes to the financial statements
For the 53 week period ended 3 July 2016

13. Deferred Taxation

	2016 £	2015 £
As at 29 June 2015	1,615	1,970
Deferred tax movement current year	(291)	(355)
Effect of change in tax rate	(133)	-
As at 3 July 2016	1,191	1,615

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. The balances above all relate to capital allowances in excess of depreciation.

14. Capital and reserves

	2016 £	2015 £
Allotted, called-up and fully paid:		
100 ordinary shares of £1 each	100	100

The company has one class of ordinary share which carry no right to fixed income.
The company's other reserves are as follows:
The profit and loss reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

15. Subsequent Events

On 26 August 2016 the Really Useful Investments Limited group (of which the Company is a part) refinanced its debt with Handelsbanken. The new facilities are not due for repayment until August 2023.

16. Related party transactions

During the period the company received rent amounting to £487,500 (2015: £482,604) and management charges of £158,675 (2015: £156,776) from The Adelphi Theatre Company Limited, a joint venture.

At the balance sheet date, trade debtors include £nil (2015: £2,100) owed from the Adelphi Theatre Company Ltd, an associated company.

The company has taken advantage of exemptions from disclosure granted by FRS 102 paragraph 33.1A Related Party Disclosures not to disclose transactions with other wholly owned group companies. The exemptions taken relate to the disclosure of intra-company transactions only.

17. Immediate and ultimate parent company and controlling party

The immediate parent company is Really Useful Theatres Group Limited, a company incorporated in the United Kingdom.

The ultimate parent company and the largest and smallest group for which group financial statements are prepared, of which the company is a member, is Really Useful Investments Limited, incorporated in the United Kingdom. A copy of the group financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The ultimate controlling party is The Lord Lloyd Webber, who is the owner of the ultimate parent company.

Notes to the financial statements
For the 53 week period ended 3 July 2016

18. Explanation of transition to FRS 102

This is the first period that the Company has presented its financial statements under Financial Reporting Standards 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the 52 weeks ended 28 June 2015 and the date of transition to FRS 102 was therefore 30 June 2014. As a consequence of adopting FRS 102 there have been no changes to accounting policy and there are no reconciling items relating to the previous reporting of equity or profit under previous UK GAAP.