
THE ADELPHI THEATRE COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 JULY 2023

THE ADELPHI THEATRE COMPANY LIMITED

COMPANY INFORMATION

Directors	J L Nederlander J B Katzman D P Atkins L I Chapman
Registered number	02761565
Registered office	65 Drury Lane London WC2B 5SP
Independent auditors	Nyman Libson Paul LLP Chartered Accountants & Statutory Auditors 124 Finchley Road London NW3 5JS
Bankers	Bank of Scotland Ground Floor 10 Gresham Street London EC2V 7AE

THE ADELPHI THEATRE COMPANY LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 8
Statement of Income and Retained Earnings	9
Balance Sheet	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 23

THE ADELPHI THEATRE COMPANY LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 2 JULY 2023

Principal Activities

The company's shares with voting rights are owned 50% by J Ned Inc and 50% by New London Theatre Limited.

The principal activities of the company continued to be that of management, maintenance and refurbishment of the Adelphi theatre and the provision of theatre related services to producers and promoters. The company's activities are expected to continue for the foreseeable future.

Business review

After several years of disruption, the Adelphi Theatre had its first full year of uninterrupted trading since 2019. Bob Gale's and Robert Zemeckis's *Back To The Future* continued its run throughout the period, and was seen by 554 thousand visitors (2022: 448 thousand). In addition, the theatre hosted a number of concerts on the show's rest days.

The success of the resident show and concert programming meant that turnover increased by 13% to £34.6m (2022: £30.5m) and resulted in retained profits for the period of £4.0m (2022: £3.2m). After taking account of the £2.0m dividend paid in respect of 2022 trading, net assets increased by £2.0m to £5.8m.

We continue to focus on mitigating the impact of the difficult economic conditions in the UK on our producers, staff and customers in order to enable the theatre to continue to trade successfully.

Principal risks and uncertainties

The company faces competitive pressures from other theatre owning companies in London to attract and stage successful productions. There is also a risk that once the production is in the theatre, it is not popular with the public. The company carefully manages this risk by using its experience to only select productions that it believes will be successful, both for the company itself and the producer. The company ensures it can attract productions that it believes will be successful by being focused on providing quality service to producers, being able to react quickly to producer queries and to maintain and develop strong relationships with new and continuing theatre producers.

The company has no financial instruments apart from cash, trade debtors and trade creditors, all arising in the normal course of business. There are no foreign operations of the company and all transactions are conducted in sterling. The main financial risks to which the company is exposed are liquidity risk and credit risk. These risks are managed by ensuring sufficient liquidity is available to meet foreseeable needs.

THE ADELPHI THEATRE COMPANY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 JULY 2023**

Financial key performance indicators

The company uses a number of key performance indicators to track performance. Key areas of focus include the following metrics and how they compare throughout the year with the budget set by the directors:

- Number of performances
- Attendance figures
- Average ticket price
- Box office takings
- Advance bookings
- In theatre spend per head

From the list above, the most important drivers are attendance figures of 553,998 (2022: 448,324) and box office takings of £23.5m (2022: £21.2m).

The increase in the period was due to the theatre being open for the entirety of the reporting period whereas the prior year was impacted by periods of closure due to the pandemic.

This report was approved by the board on 6 March 2024 and signed on its behalf.

L I Chapman
Director

THE ADELPHI THEATRE COMPANY LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 2 JULY 2023

The directors present their report and the financial statements for the period ended 2 July 2023.

Directors

The directors who served during the period were:

J L Nederlander
J B Katzman
D P Atkins
L I Chapman

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 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 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Results and dividends

The profit for the period, after taxation, amounted to £3,965,646 (2022 - £3,218,356).

Dividends of £2,000,000 (2022 - £Nil) were paid during the period.

Going concern

After making reasonable enquiries and considering the trading forecasts of the company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the company's financial statements.

THE ADELPHI THEATRE COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 2 JULY 2023

Environmental matters

The Adelphi Theatre Company Limited recognises the importance of its environmental responsibilities and implements policies to reduce any damage that might be caused by the company's activities. The company operates initiatives designed to minimise the company's impact on the environment. These policies include recycling and reduction of energy consumption.

Employee involvement

Details of the number of employees and related costs can be found in note 7 to the financial statements.

The company aims to: secure good relations between management and all employees; to promote a better understanding of the issues influencing the company's business; to improve productivity; to enhance the quality of working life and to gain the commitment of all concerned to the company's business objectives. Disabled persons are considered for employment, training, career development and promotion on the basis of their aptitudes and abilities, in common with all employees of the company.

Employees are informed on matters relevant to them through periodic meetings. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditors

The auditors, Nyman Libson Paul LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 6 March 2024 and signed on its behalf.

L I Chapman
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ADELPHI THEATRE COMPANY LIMITED

Opinion

We have audited the financial statements of The Adelphi Theatre Company Limited (the 'company') for the period ended 2 July 2023, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows 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 company's affairs as at 2 July 2023 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.

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 Auditors' 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 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ADELPHI THEATRE COMPANY LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ADELPHI THEATRE COMPANY LIMITED (CONTINUED)

Auditors' 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 Auditors' 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.

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:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that 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.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, reading minutes of meetings of those charged with governance, enquiries with management and review of accounting estimates. There are inherent limitations in the audit procedures described above and, the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 Auditors' Report.

THE ADELPHI THEATRE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ADELPHI THEATRE COMPANY LIMITED (CONTINUED)

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 Auditors' 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.

Paul Taiano (Senior Statutory Auditor)

for and on behalf of

Nyman Libson Paul LLP

Chartered Accountants

Statutory Auditors

124 Finchley Road

London

NW3 5JS

14 March 2024

THE ADELPHI THEATRE COMPANY LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 2 JULY 2023

	Note	2023 £	2022 £
Turnover	4	34,581,443	30,497,017
Cost of sales		(26,960,839)	(24,047,305)
Gross profit		<u>7,620,604</u>	<u>6,449,712</u>
Administrative expenses		(2,613,398)	(2,337,874)
Operating profit	5	<u>5,007,206</u>	<u>4,111,838</u>
Interest receivable and similar income	8	55,165	-
Profit before tax		<u>5,062,371</u>	<u>4,111,838</u>
Tax on profit	9	(1,096,725)	(893,482)
Profit after tax		<u><u>3,965,646</u></u>	<u><u>3,218,356</u></u>
Retained earnings at the beginning of the period		2,178,700	(1,039,656)
		<u>2,178,700</u>	<u>(1,039,656)</u>
Profit for the period		3,965,646	3,218,356
Dividends declared and paid		(2,000,000)	-
Retained earnings at the end of the period		<u><u>4,144,346</u></u>	<u><u>2,178,700</u></u>

The notes on pages 12 to 23 form part of these financial statements.

THE ADELPHI THEATRE COMPANY LIMITED
REGISTERED NUMBER: 02761565

BALANCE SHEET
AS AT 2 JULY 2023

	Note	2 July 2023 £	3 July 2022 £
Fixed assets			
Tangible assets	10	32,922	36,984
		<u>32,922</u>	<u>36,984</u>
Current assets			
Stocks	11	75,540	51,942
Debtors: amounts falling due within one year	12	1,457,054	2,164,815
Cash at bank and in hand	13	9,000,525	6,168,138
		<u>10,533,119</u>	<u>8,384,895</u>
Creditors: amounts falling due within one year	14	(4,721,495)	(4,542,979)
Net current assets		<u>5,811,624</u>	<u>3,841,916</u>
Total assets less current liabilities		<u>5,844,546</u>	<u>3,878,900</u>
Net assets		<u><u>5,844,546</u></u>	<u><u>3,878,900</u></u>
Capital and reserves			
Called up share capital	17	200	200
Share premium account		1,700,000	1,700,000
Profit and loss account		4,144,346	2,178,700
		<u>5,844,546</u>	<u>3,878,900</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 March 2024.

L I Chapman
Director

J B Katzman
Director

The notes on pages 12 to 23 form part of these financial statements.

THE ADELPHI THEATRE COMPANY LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 2 JULY 2023

	2 July 2023 £	3 July 2022 £
Cash flows from operating activities		
Profit for the financial period	3,965,646	3,218,356
Adjustments for:		
Depreciation of tangible assets	13,834	47,743
Interest received	(55,165)	-
Taxation charge	1,096,725	893,482
(Increase) in stocks	(23,598)	(34,895)
Decrease/(increase) in debtors	564,587	(1,632,821)
(Decrease) in creditors	(51,804)	(950,837)
Corporation tax (paid)	(723,231)	(366,178)
Net cash generated from operating activities	4,786,994	1,174,850
Cash flows from investing activities		
Purchase of tangible fixed assets	(9,772)	(41,082)
Interest received	55,165	-
Net cash from investing activities	45,393	(41,082)
Cash flows from financing activities		
Dividends paid	(2,000,000)	-
Net cash used in financing activities	(2,000,000)	-
Net increase in cash and cash equivalents	2,832,387	1,133,768
Cash and cash equivalents at beginning of period	6,168,138	5,034,370
Cash and cash equivalents at the end of period	9,000,525	6,168,138
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	9,000,525	6,168,138
	9,000,525	6,168,138

The notes on pages 12 to 23 form part of these financial statements.

THE ADELPHI THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JULY 2023

1. General information

The Adelphi Theatre Company Limited is a private company limited by shares and incorporated in England and Wales. The address of its principal place of business is Adelphi Theatre, Strand, London, WC2R 0NS. The company operates the Adelphi Theatre in London and its income is derived from box office, merchandise and bar sales, overhead recoveries and commissions on ticket sales.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Box office takings

Box office income comprises the sale of tickets and is recorded after the deduction of commissions. It is initially recorded as deferred income and recognised as revenue once the performance to which it relates has taken place.

Retail sales

Retail income comprise sales of food, drink and merchandise at the theatre and is recognised at the point of sale. Retail income also includes income from hiring the theatre's conference rooms for private use.

Recoveries

Wages and overhead recoveries comprise contributions by the producers towards the theatre's management, box office and technical staff costs and other overheads during the run of productions.

Ticketing commissions

Ticketing commissions comprises fees payable to the company in relation to ticketing services provided to producers.

2.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2023

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the costs of assets less their residual value over their estimated useful lives on the following basis:

Land and buildings	- Between 10% per annum & over the term of the lease
Fixtures and fittings	- 33% on cost

2.4 Stocks

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

At each reporting 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 through profit or loss.

2.5 Debtors

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

2.6 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from related parties. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.8 Creditors

Short term creditors are measured at transaction price.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2023

2. Accounting policies (continued)

2.10 Operating leases: the company as lessee

Leases that do not transfer all of the risks and rewards of ownership are classified as operating leases.

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

2.11 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company 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 company in independently administered funds.

2.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised through profit or loss.

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 country where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Share capital

Ordinary shares are classed as equity.

THE ADELPHI THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2023

3. Judgements in applying accounting policies 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 reporting date and the amounts reported for revenues and expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimates.

The following are the company's key areas of estimation uncertainty:

Tangible assets

Tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Accruals

The company makes an estimate of accruals at the year end based on invoices received after the year end, work undertaken which has not been invoiced based on quotations or estimates of amounts that may be due for payment.

4. Turnover

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

	2023 £	2022 £
Box office takings	24,340,116	21,824,302
Recoveries	4,361,836	3,237,632
Retail sales	4,142,371	3,760,500
Ticketing commissions	1,737,120	1,674,583
	<u>34,581,443</u>	<u>30,497,017</u>
	2023 £	2022 £
United Kingdom	34,581,443	30,497,017
	<u>34,581,443</u>	<u>30,497,017</u>

All turnover arose within the United Kingdom.

THE ADELPHI THEATRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2023**

5. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation	13,834	47,743
Fees payable to the company's auditor for the audit of the company's annual accounts	25,635	21,350
Other operating lease rentals	1,200,000	1,144,285
Defined contribution pension cost	<u>63,113</u>	<u>48,253</u>

6. Auditors' remuneration

During the period, the company obtained the following services from the company's auditors:

	2023 £	2022 £
Fees payable to the company's auditors for the audit of the company's financial statements	25,635	21,350

7. Employees

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	2,903,071	2,416,813
Social security costs	294,017	223,415
Cost of defined contribution scheme	63,113	48,253
	<u>3,260,201</u>	<u>2,688,481</u>

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

	2023 No.	2022 No.
Office and management	6	6
Theatre staff	67	70
	<u>73</u>	<u>76</u>

During the period, no director received any remuneration in respect of services to the company (2022: £Nil).

THE ADELPHI THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2023

8. Interest receivable

	2023 £	2022 £
Bank and other interest receivable	<u>55,165</u>	<u>-</u>

9. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	758,961	373,751
Adjustments in respect of previous periods	105,720	(363,244)
	<u>864,681</u>	<u>10,507</u>
Consortium taxation relief	252,987	373,751
	<u>1,117,668</u>	<u>384,258</u>
Total current tax	<u>1,117,668</u>	<u>384,258</u>
Deferred tax		
Origination and reversal of timing differences	22,100	32,372
Changes to tax rates	4,856	10,223
Adjustments in respect of previous periods	(47,899)	466,629
Total deferred tax	<u>(20,943)</u>	<u>509,224</u>
Taxation on profit on ordinary activities	<u>1,096,725</u>	<u>893,482</u>

THE ADELPHI THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2023

9. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 20.5% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>5,062,371</u>	<u>4,111,838</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022 - 19%)	1,035,718	781,249
Effects of:		
Expenses not deductible for tax purposes	5,184	1,037
Adjustments to tax charge in respect of prior periods	57,821	103,385
Land remediation relief	(6,855)	(2,412)
Tax rate changes	4,857	10,223
Total tax charge for the period	<u>1,096,725</u>	<u>893,482</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

THE ADELPHI THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2023

10. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 4 July 2022	2,829,216	356,517	3,185,733
Additions	-	9,772	9,772
Disposals	-	(21,263)	(21,263)
At 2 July 2023	2,829,216	345,026	3,174,242
Depreciation			
At 4 July 2022	2,829,216	319,533	3,148,749
Charge for the period on owned assets	-	13,834	13,834
Disposals	-	(21,263)	(21,263)
At 2 July 2023	2,829,216	312,104	3,141,320
Net book value			
At 2 July 2023	-	32,922	32,922
At 3 July 2022	-	36,984	36,984

11. Stocks

	2 July 2023 £	3 July 2022 £
Finished goods and goods for resale	75,540	51,942
	75,540	51,942

THE ADELPHI THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2023

12. Debtors

	2 July 2023 £	3 July 2022 £
Trade debtors	1,079,704	1,676,812
Other debtors	47,717	171,967
Prepayments and accrued income	35,122	42,468
Deferred taxation	294,511	273,568
	<u>1,457,054</u>	<u>2,164,815</u>

13. Cash and cash equivalents

	2 July 2023 £	3 July 2022 £
Cash at bank and in hand	9,000,525	6,168,138
	<u>9,000,525</u>	<u>6,168,138</u>

14. Creditors: Amounts falling due within one year

	2 July 2023 £	3 July 2022 £
Trade creditors	658,225	708,954
Corporation tax	221,903	-
Other taxation and social security	425,842	316,001
Other creditors	431,452	550,423
Accruals and deferred income	2,984,073	2,967,601
	<u>4,721,495</u>	<u>4,542,979</u>

THE ADELPHI THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2023

15. Financial instruments

	2 July 2023 £	3 July 2022 £
Financial assets		
Financial assets measured at fair value	<u>1,127,421</u>	<u>1,684,662</u>
Financial liabilities		
Financial liabilities measured at fair value	<u>1,091,185</u>	<u>(1,260,540)</u>
Financial assets measured at fair value through profit or loss comprise trade and other debtors.		
Financial liabilities measured at fair value through profit or loss comprise trade and other creditors.		

16. Deferred taxation

	2023 £	2022 £
At beginning of year	273,568	782,792
Charged to profit or loss	20,943	(509,224)
At end of year	<u>294,511</u>	<u>273,568</u>

The provision for deferred taxation is made up as follows:

	2 July 2023 £	3 July 2022 £
Short term timing differences	9,419	3,505
Depreciation in excess of capital allowances	285,092	270,063
	<u>294,511</u>	<u>273,568</u>

THE ADELPHI THEATRE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2023

17. Share capital

	2 July 2023 £	3 July 2022 £
Allotted, called up and fully paid		
50 (2022 - 50) 'A' Ordinary shares of £1.00 each	50	50
50 (2022 - 50) 'B' Ordinary shares of £1.00 each	50	50
499,999 (2022 - 499,999) 'A' Participating shares of -£0.0001 each	50	50
500,001 (2022 - 500,001) 'B' Participating shares of - £0.0001 each	50	50
	<u>200</u>	<u>200</u>

The ordinary shares carry one voting right per share. The participating shares have no rights to vote at general meetings of the company. All classess of shares rank equally on a winding up. The ordinary shares have no rights to dividends. The participating shares have equal rights to dividends.

18. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held seperately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £63,113 (2022: £48,253). Contributions totalling £1,178 (2022: £4,450) were payable to the fund at the reporting date.

19. Commitments under operating leases

At 2 July 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2 July 2023 £	3 July 2022 £
Not later than 1 year	1,200,000	1,200,000
Later than 1 year and not later than 5 years	4,800,000	4,800,000
Later than 5 years	18,917,260	20,159,341
	<u>24,917,260</u>	<u>26,159,341</u>

THE ADELPHI THEATRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JULY 2023**

20. Related party transactions

At the balance sheet date debtors include £1,020,397 (2022: £1,676,859) due from associated companies and creditors include £155,616 (2022: £117,923) due to associated companies. In addition, creditors include £252,987 (2022: £244,570) in respect of consortium tax relief payable to a company which is one of the company's shareholders.

Administrative expenses include rent of £1,200,000 (2022: £1,144,285) payable to entities which are the company's shareholders and management charges of £195,161 (2022: £177,969) payable to an associated company.

The company paid consultancy fees of £183,495 (2022: £147,576) to a company controlled by one of the directors.

21. Controlling party

The company is under the control of J Ned Inc and New London Theatre Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.