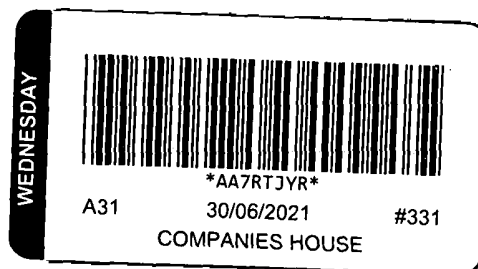


Company Registration No. 02228390

New London Theatre Limited

Annual Report and Financial Statements

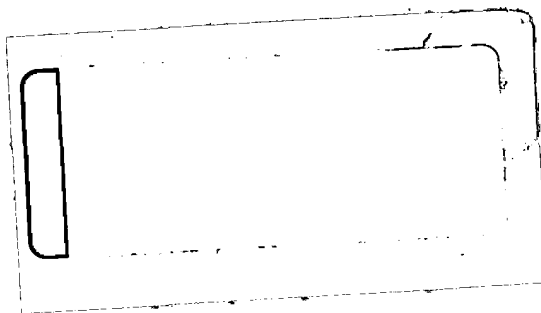
For the 52 week period ended 28 June 2020



New London Theatre Limited

Annual report and financial statements for the 52 week period ended 28 June 2020

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New London Theatre Limited

Annual report and financial statements for the 52 week period ended 28 June 2020

Officers and professional advisers

Directors

M G Wordsworth
D J Freeman (resigned 31 March 2021)
R Kane Burton
L I Chapman (appointed 01 April 2021)

Registered Office

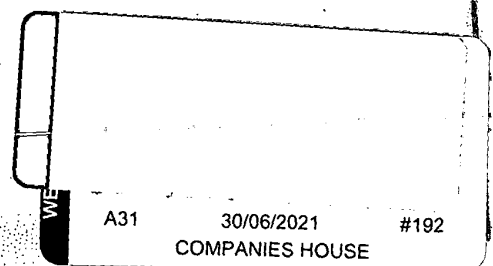
65 Drury Lane
London
WC2B 5SP

Bankers

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

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom



New London Theatre Limited

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 28 June 2020 (2019: 52 week period ended 30 June 2019).

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 (2019: £nil).

Directors

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

M G Wordsworth
D J Freeman (resigned 31 March 2021)
R Kane Burton
L I Chapman (appointed 01 April 2021)

Introduction and strategy

The company is a wholly-owned subsidiary of LW Theatres Group Limited, which is part of the LW Theatres Holdings Limited group. The company owns 50% of the Adelphi theatre freehold, 50% of the ordinary shares in The Adelphi Theatre Company Limited and is responsible for the management of the Adelphi theatre. The directors are not aware, at the date of this report, of any likely major changes in the company's principal activities in the next financial period.

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

The company is reliant for its liquidity upon the debt and equity financing arrangements in place across the LW Theatres group of which the company is a part.

The Covid-19 pandemic resulted in the closure of all UK theatres for the majority of the period from March 2020 until May 2021 and, at the time of writing, is the cause of theatres being unable to open at full capacity. This has placed significant pressure on the group's resources.

The going concern assessment applicable to the Company is made at the level of LW Theatres Holdings Limited, the ultimate parent company. Your attention is drawn to note 1 (b) on page 11 which contains details of the going concern assessment made by LW Theatres Holdings Limited and the material uncertainty that the risk of further lockdowns brings, that may cast significant doubt on the company's ability to continue as a going concern.

Notwithstanding this material uncertainty, the directors believe that the mitigating actions taken across the group, the excellent programming across the group's theatres and support of its key stakeholders, inter alia, mean that it is appropriate to adopt the going concern assessment in these 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 they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

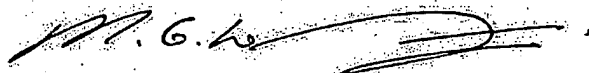
This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

New London Theatre Limited

Directors' report (continued)

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

29 June 2021

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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Independent auditor's report to the members of

New London Theatre Limited (continued)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of New London Theatre Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 28 June 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 16.

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).

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that there is a risk of a closure of theatres for a potentially prolonged period of time. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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 Financial Reporting Council's (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.

Other information

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

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

Independent auditor's report to the members of

New London Theatre Limited (continued)

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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

Report on other legal and regulatory requirements (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Independent auditor's report to the members of

New London Theatre 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 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.



Hannah Pop FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

30 June 2021

New London Theatre Limited

Profit and loss account For the 52 week period ended 28 June 2020

	Notes	Period ended 28 June 2020 £	Period ended 30 June 2019 £
Turnover	3	719,743	700,826
Administrative expenses		(4,017)	(3,639)
Other operating expenses		<u>(17,677)</u>	<u>-</u>
Operating profit		698,049	697,187
Income from share in associated undertakings		<u>1,000,002</u>	<u>250,001</u>
Profit before taxation	4	1,698,051	947,188
Tax on profit	7	<u>(132,556)</u>	<u>(132,449)</u>
Profit for the financial period		<u><u>1,565,495</u></u>	<u><u>814,739</u></u>

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

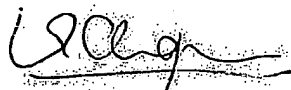
Balance sheet As at 28 June 2020

	Notes	28 June 2020 £	30 June 2019 £
Fixed assets			
Tangible fixed assets	8	2,725,019	2,725,019
Investments	9	850,100	850,100
		<u>3,575,119</u>	<u>3,575,119</u>
Current assets			
Debtors	10	15,414,913	12,765,264
Cash at bank and in hand		260,432	1,211,475
		<u>15,675,345</u>	<u>13,976,739</u>
Creditors (amounts falling due within one year)	11	<u>(277,616)</u>	<u>(144,505)</u>
Net current assets		<u>15,397,729</u>	<u>13,832,234</u>
Net assets		<u>18,972,848</u>	<u>17,407,353</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account		<u>18,972,748</u>	<u>17,407,253</u>
Shareholders' funds		<u>18,972,848</u>	<u>17,407,353</u>

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 29 June 2021.

They were signed on its behalf by:



L I Chapman
Director

New London Theatre Limited

Statement of changes in equity For the 52 week period ended 28 June 2020

	Called up share capital £	Profit and loss account £	Total £
At 1 July 2018	100	16,592,514	16,592,614
Total comprehensive income	-	814,739	814,739
At 30 June 2019	100	17,407,253	17,407,353
Total comprehensive income	-	1,565,495	1,565,495
At 28 June 2020	100	18,972,748	18,972,848

New London Theatre Limited

Notes to the financial statements For the 52 week period ended 28 June 2020

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 private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. 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 pages 2 and 3.

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 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 52 weeks ended 28 June 2020. The comparative period covered the 52 weeks ended 30 June 2019.

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 pages 2 and 3.

New London Theatre Limited is a member of a group of which LW Theatres Holdings Limited is the ultimate parent. The company is reliant for its liquidity upon the debt and equity financing arrangements in place across the LW Theatres Holdings group of which the company is a part.

The going concern assessment applicable to the company is made at the level of LW Theatres Holdings Limited and is included below.

Covid-19 Pandemic

Due to measures taken by the British Government in March 2020 to curtail social contact as a result of the SARS-Cov-2 virus all of our venues closed to customers (the Theatre Royal on Drury Lane and Gillian Lynne Theatre were already closed for refurbishment at that date).

In the period from March 2020 until the date of approval of these financial statements, the impact of the pandemic on the group's trading has been significant, resulting in our theatres remaining closed for the entire period, other than limited trading on a socially distanced basis at the London Palladium.

Prior to the enforced closure of our venues, the group had (i) a period of strong trading resulting from an excellent programming schedule, (ii) adequate liquidity and (iii) complied fully with its banking covenants. The closure of the theatres resulted in an immediate cessation of turnover so, given the prolonged period of uncertainty the group faced, the directors put in place a number of measures and strategies to mitigate costs and preserve cash flow, including:

- Increased banking facilities were secured from our lender and additional equity was contributed by the group's shareholder to provide surety over the group's cash flows (both pre- and post-year end).
- Covenant waivers and amendments to our lending facilities were agreed, including the rescheduling of amortisation payments through to maturity of the facilities in August 2023.

New London Theatre Limited

Notes to the financial statements For the 52 week period ended 28 June 2020

1. Principal accounting policies (continued)

b. Going concern (continued)

- Cost and cash saving measures were undertaken including utilisation of the Government backed job retention scheme, business rates reduction, tax deferral schemes and negotiations of rent deferrals with landlords.
- Re-scheduling of shows and concerts was undertaken to ensure trading is as strong as it possibly can be once theatres are able to reopen.
- Operational changes were introduced and investment made in equipment that would allow the theatres to reopen safely and in accordance with Government guidance.

In addition, the group has a leading position on industry task forces relating to the impact of Covid-19 and is at the forefront of the drive to safely re-start the West End.

Throughout this period, the group continued the refurbishment of four of its theatres, including the iconic Theatre Royal. These refurbishment projects are now completed.

Having weathered the storm caused by the pandemic, we are now preparing to open our theatres without capacity restrictions in the third quarter of 2021 following the Prime Minister's announcement on 14 June 2021 that the remaining social distancing measures are expected to be removed on 19 July 2021. LW Theatres has an excellent programme of shows and concerts across its theatres and demand for tickets has been strong throughout the period since March 2020, despite the venues being closed.

On the basis that our venues can reopen without social distancing the directors have prepared forecasts, with sensitivities to reflect risks to trading that demonstrate the group continues to comply with its amended financial covenants and has adequate financial headroom to enable it to remain in operational existence for at least the next 12 months.

The directors acknowledge that, despite the group's preparations and plans, the scientific progress made towards combatting the pandemic and success of the UK's vaccine rollout programme, the delay to the removal of the remaining social distancing measures demonstrates the continually evolving nature of the disease, and that new variants of the virus may emerge that lead to a resurgence in cases that, in turn, leads to a closure of theatres for a potentially prolonged period of time. This reasonable downside scenario represents a material uncertainty that may cast significant doubt over the group's and therefore the company's ability to continue as a going concern. In such a case the group may need to approach its lender to agree additional funding and/or amendments and waivers to its banking agreement.

In light of the external risks surrounding future trading the directors have already engaged with the group's shareholder who has arranged further funding, currently undrawn, to be made available to the group, at the shareholder's option.

Notwithstanding the material uncertainty that exists, the Board's confidence in i) the programming schedule across its theatres, ii) the iconic nature of its venues, iii) the support shown through the pandemic by its shareholder and other stakeholders, and iv) the long-term future of live theatrical entertainment, together form the basis for the preparation of the group's financial statements on a going concern basis.

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.

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 28 June 2020

1. Principal accounting policies (continued)

d. Revaluation of properties

An independent valuation is carried out every three years, with the most recent having been carried out by CBRE Limited in October 2020 on the basis of open market valuation in accordance with *The Royal Institution of Chartered Surveyors valuation standards – Global and UK, effective 31 January 2020*.

e. Financial instruments

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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction cost), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

f. 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.

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 28 June 2020

1. Principal accounting policies (continued)

f. Taxation (continued)

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.

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.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of the funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

g. Turnover

Turnover and profit before taxation derive from rental income and management fees from the 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.

h. Leases

The company as lessor

Rental income is recognised on a straight-line basis over the term of the relevant lease.

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 28 June 2020

1. Principal accounting policies (continued)

i. Investment

In the company balance sheet, investments in associates and joint ventures 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.

Principal risks and uncertainties

The company, as owner of a theatre, faces competitive pressures from other theatre owning groups in London to attract and stage productions. The LW Theatres Holdings Limited group has focused its attentions on owning and managing only music houses. This will enable the company to be best placed to attract productions to the music houses it owns by being focused on providing quality service to producers, being able to react quickly to producer queries and by maintaining and developing strong relationships with new and continuing theatre producers.

There are no foreign operations of the company and all transactions are conducted in Sterling. The company minimises any liquidity risk by having access to other group companies to fund any short-term operational deficiencies. The group has in place a £45m revolving credit facility in order to meet its day-to-day working capital requirements.

It is not expected that the company will face any specific challenges associated with the UK's withdrawal from the EU. The group's trading operations are entirely based in the UK and key supply chains are UK or US based.

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 28 June 2020

3. Turnover

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

	28 June 2020 £	30 June 2019 £
Theatre operations	719,743	700,826
	<u>719,743</u>	<u>700,826</u>

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

	28 June 2020 £	30 June 2019 £
United Kingdom	719,743	700,826
	<u>719,743</u>	<u>700,826</u>

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

	28 June 2020 £	30 June 2019 £
Management fee income	174,439	170,774
Rental income	545,304	530,052
	<u>719,743</u>	<u>700,826</u>

4. Profit before taxation

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

	28 June 2020 £	30 June 2019 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	3,996	3,623

Fees payable to Deloitte LLP for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis and have been disclosed appropriately.

5. 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.

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 28 June 2020

6. Directors' emoluments

The directors received no remuneration from the company during the period (2019: £nil). Directors are remunerated by group holding companies. It is impractical to split this remuneration between group subsidiaries.

7. Tax on profit

The tax charge comprises:

	28 June 2020 £	30 June 2019 £
Current year corporation tax	-	-
Group relief	132,504	132,313
Total current tax charge	132,504	132,313
Deferred tax		
Effect of change in tax rate	(73)	(17)
Deferred tax charge	125	153
Total deferred tax (see note 12)	52	136
Total profit and loss account tax charge	132,556	132,449

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:

	28 June 2020 £	30 June 2019 £
Profit before tax	1,698,051	947,188
Tax on profit on ordinary activities at standard UK corporation rate of 19% (2019 19%)	322,630	179,966
Effects of:		
- Expenses not deductible for tax purposes	(1)	-
- Dividend income not subject to corporation tax	(190,000)	(47,500)
- Rate difference	(73)	(17)
Total tax charge	132,556	132,499

In the March 2021 Budget the UK Government announced that legislation will be introduced in the Finance Bill 2021 to increase the main rate of UK Corporation Tax from 19% to 25%, effective 1 April 2023. The new legislation was substantively enacted in May 2021, and was fully enacted on 10 June 2021. As the changes had not been substantively enacted at the balance sheet date, the deferred tax balances as at 30 June 2020 continue to be measured at a rate of 19%.

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 28 June 2020

8. Tangible fixed assets

	Freehold land and buildings £	Total £
Cost		
At 28 June 2020 and as at 30 June 2019	3,088,501	3,088,501
Depreciation		
At 28 June 2020 and as at 30 June 2019	(363,482)	(363,482)
Net book value		
At 28 June 2020 and as at 30 June 2019	2,725,019	2,725,019

Freehold land and buildings were professionally valued by CBRE Limited, an independent valuer, in October 2020 on the basis of open market valuation in accordance with *The Royal Institution of Chartered Surveyors valuation standards – Global and UK, effective 31 January 2020*. 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 (2019: £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.

9. Investments

	28 June 2020 £	30 June 2019 £
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.

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 28 June 2020

10. Debtors

	28 June 2020 £	30 June 2019 £
Trade debtors	2,100	-
Amounts owed by group undertakings	15,412,245	12,764,644
Deferred tax asset (see note 12)	568	620
	<u>15,414,913</u>	<u>12,765,264</u>

The intercompany balance is repayable on demand, no interest is charge.

11. Creditors (amounts falling due within one year)

	28 June 2020 £	30 June 2019 £
Group relief owed to group undertakings	264,817	132,313
VAT	8,805	8,572
Accruals and deferred income	3,994	3,620
	<u>277,616</u>	<u>144,505</u>

The amounts owed to group undertakings represents intercompany trading balances with other group companies.

12. Deferred Taxation

	28 June 2020 £	30 June 2019 £
As at 1 July 2019	620	756
Deferred tax movement current period	(125)	(153)
Effect of change in tax rate	73	17
	<u>568</u>	<u>620</u>
As at 28 June 2020		

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.

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 28 June 2020

13. Capital and reserves

	28 June 2020	30 June 2019
	£	£
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.

14. Related party transactions

During the period the company received rent amounting to £545,304 (2019: £530,052) and management charges of £174,439 (2019: £170,774) from The Adelphi Theatre Company Limited, a joint venture.

At the balance sheet date, trade debtors include £2,100 (2019: £nil) 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.

15. Immediate and ultimate parent company and controlling party

The immediate parent company is LW 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 LW Theatres Holdings Limited, registered address 65 Drury Lane, London WC2B 5SP, 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 Lord A Lloyd Webber, who is the owner of the ultimate parent company.

16. Subsequent events

There are no subsequent events to report.