

Company Registration No. 02228390

New London Theatre Limited

Annual Report and Financial Statements

For the 52 week period ended 27 June 2021



New London Theatre Limited

Annual report and financial statements for the 52 week period ended 27 June 2021

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New London Theatre Limited

Annual report and financial statements for the 52 week period ended 27 June 2021

Officers and professional advisers

Director

M G Wordsworth
L I Chapman
J L Arnott
D P Atkins

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 27 June 2021 (2020: 52 week period ended 28 June 2020).

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

Introduction and principal activities

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

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 (resigned 6 September 2021)

L I Chapman (appointed 1 April 2021)

J L Arnott (appointed 6 September 2021)

D P Atkins (appointed 6 September 2021)

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 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 the directors of LW Theatres Holdings Limited.

In summary, after taking into account the trading levels experienced since reopening, future trading potential and risks faced by the business, 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.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, interest rate risk and liquidity risk.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables and investments.

The credit risk on liquid funds and derivative financial instruments is limited because the company's counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The company's credit risks are primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, on previous experience, is evidence of a reduction in the recoverability of the cash flow. To mitigate credit risk the company seeks to ensure it deals with reputable companies.

New London Theatre Limited

Directors' report (continued)

Interest rate risk

The use of financial derivatives is governed by policies approved by the board of directors, which provide written principles on use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes. As described in the Strategic Report above, the interest rate hedges in place protect the company from the effect of interest rate rises on the hedged portion of its borrowings which in turn provides greater certainty on the cash cost of these borrowings.

Liquidity risk

In order to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of term and revolving credit facilities. The company also monitors its liquidity position closely through the use of regular rolling cash flow forecasts.

Further details regarding liquidity risk can be found in the notes to the financial statement.

Dividends

The directors do not recommend the payment of a dividend (2020: £nil).

No dividends have been paid or declared post year end to the signing.

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.

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
30 March 2022
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 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

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 27 June 2021 and of its profit for the year 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; and
- the related notes 1 to 15.

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).

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.

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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The 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

Independent auditor's report to the members of New London Theatre Limited (continued)

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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect 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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included Health and Safety at Work Act and Employment law.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Independent auditor's report to the members of

New London Theatre Limited (continued)

- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

Matters on which we are required to report by exception

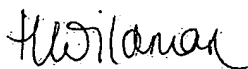
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.



Helen Wildman ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

31 March 2022

New London Theatre Limited

Profit and loss account For the 52 week period ended 27 June 2021

	Notes	Period ended 27 June 2021 £	Period ended 28 June 2020 £
Turnover	3	722,342	719,743
Administrative expenses		(9,060)	(4,017)
Other operating expenses		<u>(29,336)</u>	<u>(17,677)</u>
Operating profit		683,946	698,049
Income from share in associated undertakings		<u>-</u>	<u>1,000,002</u>
Profit before taxation	4	683,946	1,698,051
Tax on profit	7	<u>(33,669)</u>	<u>(132,556)</u>
Profit for the financial period		<u>650,277</u>	<u>1,565,495</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 27 June 2021

	Notes	27 June 2021 £	28 June 2020 £
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	15,712,060	15,414,913
Cash at bank and in hand		387,552	260,432
		<u>16,099,612</u>	<u>15,675,345</u>
Creditors (amounts falling due within one year)	11	<u>(51,606)</u>	<u>(277,616)</u>
Net current assets		<u>16,048,006</u>	<u>15,397,729</u>
Net assets		<u>19,623,125</u>	<u>18,972,848</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account		<u>19,623,025</u>	<u>18,972,748</u>
Shareholders' funds		<u>19,623,125</u>	<u>18,972,848</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 30 March 2022.

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 27 June 2021

	Called up share capital £	Profit and loss account £	Total £
At 30 June 2019	100	17,407,253	17,407,353
Total comprehensive income	-	<u>1,565,495</u>	<u>1,565,495</u>
At 28 June 2020	100	18,972,748	18,972,848
Total comprehensive income	-	<u>650,277</u>	<u>650,277</u>
At 27 June 2021	100	<u>19,623,025</u>	<u>19,623,125</u>

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 27 June 2021

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.

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 group financial statements consolidate the financial statements of New London Theatre Limited and its associated undertaking drawn up to 27 June 2021. The ultimate parent company is LW Theatres Holdings Limited where these group financial statements can be found. Parent undertakings details can be found in note 15 to these financial statements.

The company's accounting period covers the 52 weeks ended 27 June 2021. The comparative period covered the 52 weeks ended 28 June 2020.

b. Going concern

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 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, the ultimate parent company and is included below.

As part of the ongoing Coronavirus pandemic, the UK government continued to impose restrictions to control the spread of Coronavirus throughout the financial year, including the closure of theatres. These measures were lifted in full on 19 July 2021, shortly after the financial year end. As a result, the group lost almost all its income except for some overhead recoveries.

At the time of approving these financial statements, our theatres have reopened to the public at full capacity. The shows in our theatres have generally proved a hit with audiences and are performing in accordance with historic levels, albeit that attendance levels at shows particularly reliant upon international tourism are below their pre-pandemic levels.

Due to the success of the vaccination programme and indications that Coronavirus will soon be treated as an endemic disease and no longer require isolation, the directors do not envisage restrictions returning at a level that would result in a prolonged closure of our theatres. If restrictions were re-introduced, the group is well placed to deal with safety additional measures as well as rescheduling performances in the event of show cancellations. Future performances may be impacted by outbreaks of the virus within show casts but due to the progress in tackling the disease any disruption to individual performances is not anticipated to be material in the context of the group's trading and would not lead to When considering going concern, the directors have

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 27 June 2021

1. Principal accounting policies (continued)

b. Going concern (continued)

prepared forecasts which take into account i) trading levels since reopening, ii) reasonable expectations as to future trading performance based the current programming of the theatres, iii) the potential but receding risk of a re-emergence of the virus and iv) potential inflationary pressures across our cost base, including interest rate rises.

These forecasts show that the group is able to operate within the current committed bank facilities, which expire in August 2023, and comply with financial covenants throughout the period. The group will open negotiations with its lender in due course regarding an extension of the facilities.

Based on discussions to date the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. As a result, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c. Tangible fixed assets

The company does not depreciate its freehold theatre which is held at cost. 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

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.

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 27 June 2021

1. Principal accounting policies (continued)

e. Financial instruments (continued)

- (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.

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

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 27 June 2021

1. Principal accounting policies (continued)

f. Taxation (continued)

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.

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 do not consider there to be any critical accounting judgments or key source of estimation uncertainty in the company.

3. Turnover

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

	27 June 2021 £	28 June 2020 £
Theatre management	<u>722,342</u> <u>722,342</u>	<u>719,743</u> <u>719,743</u>

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

	27 June 2021 £	28 June 2020 £
United Kingdom	<u>722,342</u> <u>722,342</u>	<u>719,743</u> <u>719,743</u>

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 27 June 2021

3. Turnover (continued)

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

	27 June 2021 £	28 June 2020 £
Management fee income	177,038	174,439
Rental income	545,304	545,304
	<u>722,342</u>	<u>719,743</u>

The company holds tenancy in common agreement for The Adelphi Theatre for which the company had future minimum lease income due under non-cancellable operating leases for each of the following periods:

	27 June 2021 £	28 June 2020 £
Not later than one year	572,141	545,304
Later than 1 year and not later than 5 years	2,324,341	2,181,218
Later than 5 years	10,342,998	10,261,910
	<u>13,239,480</u>	<u>12,988,431</u>

4. Profit before taxation

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

	27 June 2021 £	28 June 2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	8,996	3,996

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.

6. Directors' emoluments

The directors received no remuneration from the company during the period (2020: £nil). Directors are remunerated by LW Theatres Group Limited. It is impractical to split this remuneration between group subsidiaries.

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 27 June 2021

7. Tax on profit

The tax charge comprises:

	27 June 2021 £	28 June 2020 £
Current year corporation tax	-	-
Group relief	33,714	132,504
Total current tax charge	33,714	132,504
Deferred tax		
Effect of change in tax rate	(147)	(73)
Deferred tax charge	102	125
Total deferred tax (see note 12)	(45)	52
Total profit and loss account tax charge	33,669	132,556

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:

	27 June 2021 £	28 June 2020 £
Profit before tax	683,946	1,698,051
Tax on profit on ordinary activities at standard UK corporation rate of 19% (2020 19%)	129,950	322,630
Effects of:		
- Expenses not deductible for tax purposes	(1)	(1)
- Dividend income not subject to corporation tax	-	(190,000)
- Rate difference	(147)	(73)
- Effect of group relief not paid for	(96,133)	-
Total tax charge	33,669	132,556

In the March 2021 Budget, the UK Government announced that legislation would 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. In calculating the deferred tax assets/liabilities across the group we have used the rate substantively enacted at the balance sheet date of 25%.

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 27 June 2021

8. Tangible fixed assets

	Freehold land and buildings £	Total £
Cost		
At 27 June 2021 and as at 28 June 2020	3,088,501	3,088,501
Depreciation		
At 27 June 2021 and as at 28 June 2020	(363,482)	(363,482)
Net book value		
At 27 June 2021 and as at 28 June 2020	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 (2020: £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

	27 June 2021 £	28 June 2020 £
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.

10. Debtors

	27 June 2021 £	28 June 2020 £
Trade debtors	2,100	2,100
Amounts owed by group undertakings	15,164,043	15,412,245
Deferred tax asset (see note 12)	613	568
Prepayments and accrued income	545,304	-
	15,712,060	15,414,913

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 27 June 2021

10. Debtors (continued)

The amounts owed by group undertakings represents intercompany unsecured trading balances with other group companies. Intercompany balances are repayable on demand and no interest is charged.

11. Creditors (amounts falling due within one year)

	27 June 2021 £	28 June 2020 £
Group relief owed to group undertakings	33,714	264,817
VAT	8,898	8,805
Accruals and deferred income	8,994	3,994
	<u>51,606</u>	<u>277,616</u>

The amounts owed to group undertakings represents intercompany unsecured trading balances with other group companies. Intercompany balances are repayable on demand and no interest is charged.

12. Deferred Taxation

	27 June 2021 £	28 June 2020 £
As at 29 June 2020	568	620
Deferred tax movement current period	(102)	(125)
Effect of change in tax rate	147	73
	<u>613</u>	<u>568</u>
As at 27 June 2021	613	568

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.

13. Capital and reserves

	27 June 2021 £	28 June 2020 £
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.

New London Theatre Limited

Notes to the financial statements (continued) For the 52 week period ended 27 June 2021

14. Related party transactions

During the period the company received rent amounting to £545,304 (2020: £545,304) and management charges of £177,038 (2020: £174,439) from The Adelphi Theatre Company Limited, a joint venture.

At the balance sheet date, trade debtors include £2,100 (2020: £2,100) owed from The Adelphi Theatre Company Limited.

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-group 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.