

STOKE-ON-TRENT THEATRES LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

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STOKE-ON-TRENT THEATRES LIMITED

COMPANY INFORMATION

Directors	M R D Cornell S Teo N G Potter M C Lynas
Registered number	03507468
Registered office	2nd Floor Alexander House Church Path Woking Surrey GU21 6EJ
Bankers	National Westminster Bank Plc PO Box 113 Cavell House 2A Charing Cross Road London WC2H 0PD

STOKE-ON-TRENT THEATRES LIMITED

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STOKE-ON-TRENT THEATRES LIMITED

DIRECTORS' REPORT FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

The Directors present their report and the financial statements of Stoke-on-Trent Theatres Limited (the "Company") for the 52 week period ended 28 March 2020 (the "period").

Principal activity

The principal activity of the Company is that of running theatres in Stoke-on-Trent. The directors do not plan any changes to the company's principal activity at the present time.

Directors

The directors who served during the 52 week period were:

M R D Cornell
S Teo
N G Potter
M C Lynas
A L Kenwright (resigned 2 February 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 financial statements have been prepared on the going concern basis.

The Company has net liabilities of £324,000 and net current liabilities of £545,000 at 28 March 2020.

However, through its membership of the largest theatre group in the United Kingdom, it benefits from long-established relationships with major producers of shows and a network of supplier contracts across different geographic areas. Shows go up on sale up to 18 months before the first performance date which helps mitigate risk, provides financial security and helps the Company monitor and forecast future performances.

Having prepared forecasts to cover the 12 months subsequent to the date of signing the financial statements and also considering the financial support available from the Company's ultimate UK parent, International Entertainment Holdings Limited, the Directors are confident that the Company is well placed to manage its business risks.

The Directors therefore believe that the Company has the ability to continue as a going concern for a period of at least 12 months from the date of signing these financial statements.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006, including the exemption from the requirement to present a strategic report.

This report was approved by the board on

and signed on its behalf.

S Teo
Director



17/03/2021

STOKE-ON-TRENT THEATRES LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF STOKE-ON-TRENT THEATRES LIMITED FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

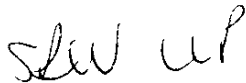
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Stoke-On-Trent Theatres Limited for the 52 week period ended 28 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at the following website: <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Stoke-On-Trent Theatres Limited, as a body, in accordance with the terms of our engagement letter dated 22 October 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Stoke-On-Trent Theatres Limited and state those matters that we have agreed to state to the Board of Directors of Stoke-On-Trent Theatres Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stoke-On-Trent Theatres Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Stoke-On-Trent Theatres Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Stoke-On-Trent Theatres Limited. You consider that Stoke-On-Trent Theatres Limited is exempt from the statutory audit requirement for the 52 week period.

We have not been instructed to carry out an audit or review of the financial statements of Stoke-On-Trent Theatres Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



SRLV LLP

Chartered Accountants

Elsley Court
20-22 Great Titchfield Street
London
W1W 8BE

23 March 2021

STOKE-ON-TRENT THEATRES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020**

	Note	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Turnover	4	2,993	3,040
Cost of sales		(363)	(306)
Gross profit		2,630	2,734
Administrative expenses		(2,738)	(2,603)
Operating (loss)/profit	5	(108)	131
Tax on (loss)/profit	7	6	-
(Loss)/profit for the financial period		(102)	131

There was no other comprehensive income for 2020 (2019: £NIL).

The notes on pages 6 to 16 form part of these financial statements.

All results above derive from continuing operations.

There is no material difference between the profits before tax and the profits for the financial years stated above and their historical cost equivalents.

STOKE-ON-TRENT THEATRES LIMITED
REGISTERED NUMBER:03507468
STATEMENT OF FINANCIAL POSITION
AS AT 28 MARCH 2020

	Note	28 March 2020 £000	30 March 2019 £000
Fixed assets			
Property, plant and equipment	8	<u>223</u>	<u>275</u>
		223	275
Current assets			
Inventories	9	21	24
Trade and other receivables	10	24,477	21,029
Cash and cash equivalents	11	<u>-</u>	<u>7</u>
		24,498	21,060
Trade and other payables	12	<u>(25,043)</u>	<u>(21,557)</u>
Net current liabilities		(545)	(497)
Other provisions	13	<u>(2)</u>	<u>-</u>
Net liabilities		(324)	(222)
Capital and reserves			
Called up share capital	14	-	-
Share premium account		4,031	4,031
Profit and loss account		<u>(4,355)</u>	<u>(4,253)</u>
		(324)	(222)

The members have not required the company to obtain an audit for the 52 week period in question in accordance with section 476 of Companies Act 2006.

The company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

S Teo
Director



17/03/2021

The notes on pages 6 to 16 form part of these financial statements.

STOKE-ON-TRENT THEATRES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020**

	Called up share capital £000	Share premium account £000	Accumulated deficit £000	Total equity £000
At 1 April 2018	-	4,031	(4,384)	(353)
Comprehensive income for the period				
Profit for the period	-	-	131	131
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>131</u>	<u>131</u>
At 31 March 2019	-	4,031	(4,253)	(222)
Comprehensive income for the period				
Loss for the period	-	-	(102)	(102)
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>(102)</u>	<u>(102)</u>
At 28 March 2020	<u>-</u>	<u>4,031</u>	<u>(4,355)</u>	<u>(324)</u>

STOKE-ON-TRENT THEATRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

1. General information

Stoke-on-Trent Theatres Limited (the "company") is a company limited by shares, incorporated in England and Wales. Details of the company's principal activity, registered office and directors can be found in the Directors' Report and on the Company Information page.

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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The financial statements are presented in sterling, rounded to the nearest thousand, except where otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

STOKE-ON-TRENT THEATRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis.

The Company has net liabilities of £324,000 and net current liabilities £545,000 at 28 March 2020.

However, through its membership of the largest theatre group in the United Kingdom, it benefits from long-established relationships with major producers of shows and a network of supplier contracts across different geographic areas. Shows go on sale up to 18 months before the first performance date which helps mitigate risk, provides financial security and helps the Company monitor and forecast future performances.

Having prepared forecasts to cover the 12 months subsequent to the date of signing the financial statements and also considering the financial support available from the Company's ultimate UK parent, International Entertainment Holdings Limited, the Directors are confident that the Company is well placed to manage its business risks.

The Directors therefore believe that the Company has the ability to continue as a going concern for a period of at least 12 months from the date of signing these financial statements.

2.4 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 company's revenue primarily relates to sale of theatre tickets and retail sales, net of VAT. Ticket revenue is recognised on performance of the show to which tickets relate, as this is the moment at which the risks and rewards are considered to have transferred. Revenue from retail sales is recognised at the point of sale.

2.5 Property, plant and equipment

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures & fittings	- over 4 to 10 years, or over the period to the end of the theatre's lease if this is shorter
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

STOKE-ON-TRENT THEATRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

2. Accounting policies (continued)

2.6 Inventories

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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 in profit or loss.

2.7 Trade and other receivables

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 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.

STOKE-ON-TRENT THEATRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

2. Accounting policies (continued)

2.9 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

2.10 Trade and other payables

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

STOKE-ON-TRENT THEATRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

2. Accounting policies (continued)

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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, or the liability is otherwise discharged, the provision is derecognised in the Statement of Financial Position.

2.14 Current and deferred taxation

The tax expense for the 52 week period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 countries 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 Statement of Financial Position 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

STOKE-ON-TRENT THEATRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

There are a limited number of judgements having a material impact on these financial statements. The primary judgements are as follows:

Useful economic lives

The useful economic lives applied when depreciating assets are derived from historical experience of replacement periods from comparable assets within the wider group, and are considered appropriate. The lives are revisited where, for example, significant gains or losses on disposal are expected or experienced. Where it becomes apparent that assets' book values are materially in excess of their market value, the assets would be assessed for impairment.

Recoverability of current assets

Current assets that are outstanding significantly after their expected recovery date are reviewed for evidence of irrecoverability. Where an asset is considered wholly or partially irrecoverable, a provision is made against the book value of the relevant asset. Where sufficient evidence of recoverability exists, no such provision is made.

4. Revenue

Materially the whole of revenue in the period was attributable to the company's principal activity, and arose within the United Kingdom.

5. Profit before tax

The profit before tax is stated after charging:

	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Depreciation of property, plant and equipment	75	67
Admin - staff costs	1,307	1,363

The directors are not remunerated directly by the Company and are remunerated by the Company's intermediate parent company, International Entertainment Investments Limited. It is not possible to disaggregate directors' remuneration in respect of services to the Company.

STOKE-ON-TRENT THEATRES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020**

6. Employees

Staff costs were as follows:

	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Wages and salaries	1,209	1,265
Social security costs	77	82
Cost of defined contribution scheme	21	16
	<u>1,307</u>	<u>1,363</u>

The average monthly number of employees, including the directors, during the 52 week period was as follows:

	52 week period ended 28 March 2020 No.	52 week period ended 30 March 2019 No.
Venue	108	99
Administration	8	8
	<u>116</u>	<u>107</u>

STOKE-ON-TRENT THEATRES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020**

7. Taxation

	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Total current tax	-	-
Group relief	(6)	-
Total deferred tax	(6)	-
 Taxation on (loss)/profit on ordinary activities	 (6)	 -

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Profit on ordinary activities before tax	(108)	131
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(21)	25
Effects of:		
Adjustments to tax charge in respect of prior periods	-	1
Movement on DT assets not recognised	(6)	(1)
Group relief	21	(25)
Total tax charge for the period	(6)	-

STOKE-ON-TRENT THEATRES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020**

8. Property, plant and equipment

	Fixtures & fittings £000
Cost or valuation	
At 31 March 2019	636
Additions	23
At 28 March 2020	659
Depreciation	
At 31 March 2019	361
Charge for the period	75
At 28 March 2020	436
Net book value	
At 28 March 2020	223
At 30 March 2019	275

9. Inventories

	28 March 2020 £000	30 March 2019 £000
Finished goods and goods for resale	21	24
	21	24

STOKE-ON-TRENT THEATRES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020**

10. Trade and other receivables

	28 March 2020 £000	30 March 2019 £000
Trade receivables	25	229
Amounts owed by group undertakings	24,287	20,747
Other receivables	156	-
Prepayments and accrued income	3	53
Deferred taxation	6	-
	<u>24,477</u>	<u>21,029</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

11. Cash and cash equivalents

	28 March 2020 £000	30 March 2019 £000
Cash at bank and in hand	-	7
	<u>-</u>	<u>7</u>

12. Trade and other payables

	28 March 2020 £000	30 March 2019 £000
Trade creditors	103	237
Amounts owed to group undertakings	24,563	20,703
Other taxation and social security	4	10
Other creditors	73	52
Accruals and deferred income	300	555
	<u>25,043</u>	<u>21,557</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

STOKE-ON-TRENT THEATRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

13. Provisions

	Dilapidations £000
Charged to profit or loss	<u>2</u>
At 28 March 2020	<u>2</u>

The Company continues to provide for the expected level of dilapidations for certain theatres. The adequacy of the provisions are periodically reviewed to ensure that they will meet the final obligations.

14. Share capital

	28 March 2020 £	30 March 2019 £
Shares classified as equity		
Allotted, called up and fully paid		
3 Ordinary shares of £1 each	<u>3</u>	<u>3</u>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and repayment of capital.

15. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately 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 £21,000 (2019: £16,000). Contributions totalling £2,000 (2019: £2,000) were payable to the fund at the balance sheet date.

16. Related party transactions

The company has taken advantage of exemptions available under FRS 101 not to disclose transactions with related parties which are wholly owned members of the same group. As such, there were no related party transactions during the period requiring disclosure (2019: £nil).

17. Controlling party

The Company's immediate parent company is The Ambassador Theatre Group Limited. The parent company of the smallest and largest group in which the Company's results are consolidated is *International Entertainment Holdings Limited*, a company incorporated in England and Wales. The consolidated financial statements are available from the parent company's registered office.

The Company's ultimate parent company is IE Luxco S.a.r.l (Luxembourg), which is controlled by Providence Equity Partners VII A LP (Cayman Islands) and Providence VII Global Holdings LP (Cayman Islands), which the directors consider to be the company's ultimate controlling parties.