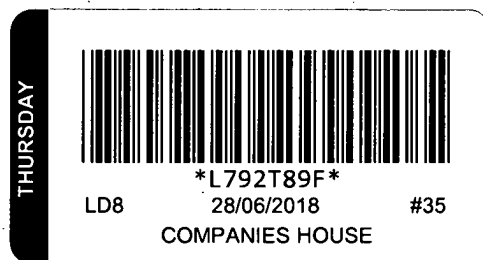


Company Registration No. 05493237 (England and Wales)

**NIMAX THEATRES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 1 OCTOBER 2017**



# NIMAX THEATRES LIMITED

## COMPANY INFORMATION

---

**Directors** Ms L Burns OBE  
Mr M Weitzenhoffer

**Secretary** Mr M S Hutchinson

**Company number** 05493237

**Registered office** 11 Maiden Lane  
London  
WC2E 7NA

**Auditor** Blinkhorns  
27 Mortimer Street  
London  
W1T 3BL

---

# **NIMAX THEATRES LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 24

---

# **NIMAX THEATRES LIMITED**

## **STRATEGIC REPORT**

### **FOR THE PERIOD ENDED 1 OCTOBER 2017**

---

The directors present the strategic report and financial statements for the Period ended 1 October 2017.

#### **Fair review of the business**

We aim to present a balanced and comprehensive review of the development and performance of our business during the period and its position at the period end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties in force.

The results for the period are shown on page 7. Turnover increased by 24.6% to £25.3 million (2016 - £20.3 million); Operating profit rose to £7.08 million (2016 - £4.88 million).

The group as a whole performed well. Three theatres played shows which ran for the entire financial year: Thriller continued its record breaking run with its ninth year at the Lyric and the Duchess successfully hosted The Play That Goes Wrong for its third year. In addition these two theatres hosted a popular series of concerts for Michael McIntyre and Showstopper. Harry Potter and the Cursed Child successfully completed its full year at the Palace and continues to sell out for each performance.

The Garrick saw out the end of the excellent Kenneth Branagh season with The Entertainer. This was followed by This House, The Miser and Gangsta Granny amongst its notable shows for the year. The theatre closed for two weeks for preparations to receive Young Frankenstein at the end of the year, which continues to perform to good audience numbers. The Apollo enjoyed a very successful programme of shows: Peter Pan Goes Wrong, Travesties, Love in Idleness and Cat on a Hot Tin Roof. The Vaudeville presented a varied programme consisting of Dead Funny, Stepping Out and The Mentor. The theatre closed during September for planned refurbishments and in preparation for the Classic Spring season of Oscar Wilde plays in the new year.

Within the company's audience development programme, Potted Panto, The Gruffalo and Horrible Histories played as part of the children and family entertainment aimed at the day and school and festive holiday periods. In addition the concert programme continued strongly, helping to utilise capacity at the theatres.

The company continued to invest in its theatres and carried out an extensive programme of restoration.

#### **Principal risks and uncertainties**

The company's principal risk lies in its ability to attract quality production in a highly competitive West End market.

The Board does not currently consider liquidity or currency risks to be of significance.

#### **Key performance indicators**

The company considers its key performance indicators to be: -

- Attendances and how they compare to the previous year
- Advance bookings and how they compare week on week and to last year
- Number of dark weeks
- Operating margins at each venue including Bar & Front of House retail spends per head and net profit per head
- Net profit growth
- Debtors - both in terms of debtor weeks and absolute value

# **NIMAX THEATRES LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

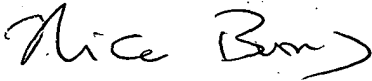
**FOR THE PERIOD ENDED 1 OCTOBER 2017**

---

### **Financial position and dividends**

At the year end shareholders' funds were £25,001,479 (2016: £19,412,059).

On behalf of the board



Ms L Burns OBE

**Director**

29 January 2018

# **NIMAX THEATRES LIMITED**

## **DIRECTORS' REPORT**

**FOR THE PERIOD ENDED 1 OCTOBER 2017**

---

The directors present their annual report and financial statements for the Period ended 1 October 2017.

### **Principal activities**

The principal activity of the company continues to be the management, restoration and refurbishment of the Palace, Garrick, Duchess, Vaudeville, Apollo and Lyric Theatres.

### **Directors**

The directors who held office during the Period and up to the date of signature of the financial statements were as follows:

Ms L Burns OBE

Mr M Weitzenhoffer

### **Results and dividends**

The results for the Period are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Employee involvement**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

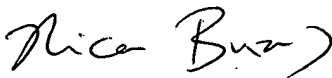
### **Auditor**

Blinkhorns were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board.



Ms L Burns OBE

**Director**

29 January 2018

# **NIMAX THEATRES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE PERIOD ENDED 1 OCTOBER 2017**

---

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). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# **NIMAX THEATRES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF NIMAX THEATRES LIMITED**

---

We have audited the financial statements of Nimax Theatres Limited for the Period ended 1 October 2017 set out on pages 7 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 October 2017 and of its profit for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial Period for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



# **NIMAX THEATRES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF NIMAX THEATRES LIMITED**

---

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

**David Cramer FCA (Senior Statutory Auditor)**  
**for and on behalf of Blinkhorns**

29 January 2018

**Statutory Auditor**

27 Mortimer Street  
London  
W1T 3BL

# NIMAX THEATRES LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 1 OCTOBER 2017

		53 weeks ended 2 October 2017 £	53 weeks ended 2 October 2016 £
	Notes		
Turnover	3	25,250,512	20,259,212
Cost of sales		(15,687,050)	(13,242,401)
<b>Gross profit</b>		<b>9,563,462</b>	<b>7,016,811</b>
Administrative expenses		(2,570,116)	(2,230,219)
Other operating income		88,702	81,293
<b>Operating profit</b>	<b>5</b>	<b>7,082,048</b>	<b>4,867,885</b>
Interest receivable and similar income	8	38,126	66,129
Interest payable and similar expenses	9	(145,273)	(344,518)
Exceptional items	4	(274,524)	(1,198,536)
<b>Profit before taxation</b>		<b>6,700,377</b>	<b>3,390,960</b>
Taxation	10	(1,110,957)	(859,409)
<b>Profit for the financial Period</b>		<b>5,589,420</b>	<b>2,531,551</b>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# NIMAX THEATRES LIMITED

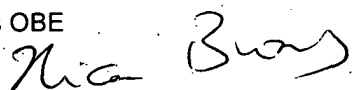
## BALANCE SHEET

AS AT 1 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Goodwill	11	1,360,000		1,530,000	
Tangible assets	12	5,207,959		4,478,514	
Investments	13	24,567,739		24,567,739	
		<u>31,135,698</u>		<u>30,576,253</u>	
<b>Current assets</b>					
Stocks	16	156,574		131,151	
Debtors	17	4,774,012		5,626,008	
Cash at bank and in hand		19,840,416		24,946,284	
		<u>24,771,002</u>		<u>30,703,443</u>	
<b>Creditors: amounts falling due within one year</b>	18	(30,749,624)		(41,750,023)	
<b>Net current liabilities</b>		<u>(5,978,622)</u>		<u>(11,046,580)</u>	
<b>Total assets less current liabilities</b>		25,157,076		19,529,673	
<b>Provisions for liabilities</b>	20	(155,597)		(117,614)	
<b>Net assets</b>		<u>25,001,479</u>		<u>19,412,059</u>	
<b>Capital and reserves</b>					
Called up share capital	23	1,000		1,000	
Profit and loss reserves		25,000,479		19,411,059	
<b>Total equity</b>		<u>25,001,479</u>		<u>19,412,059</u>	

The financial statements were approved by the board of directors and authorised for issue on 29 January 2018 and are signed on its behalf by:

Ms L Burns OBE  
Director



Company Registration No. 05493237

# NIMAX THEATRES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 1 OCTOBER 2017

---

	53 Weeks ended 2 October 2017 £	53 Weeks ended 2 October 2016 £
Profit for the Period	5,589,420	2,531,551
Other comprehensive income	-	-
Total comprehensive income for the Period	<u>5,589,420</u>	<u>2,531,551</u>

---

# NIMAX THEATRES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 1 OCTOBER 2017

	Share capital £	Profit and loss reserves £	Total £
Balance at 28 September 2015	1,000	16,879,508	16,880,508
Period ended 2 October 2016:			
Profit and total comprehensive income for the period	-	2,531,551	2,531,551
Balance at 2 October 2016	1,000	19,411,059	19,412,059
Period ended 1 October 2017:			
Profit and total comprehensive income for the period	-	5,589,420	5,589,420
Balance at 1 October 2017	1,000	25,000,479	25,001,479

# NIMAX THEATRES LIMITED

## STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 1 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	4,117,141		19,785,347	
Interest paid		(145,273)		(344,518)	
Corporate taxes paid		(1,069,283)		(784,769)	
Exceptional items		(274,528)		(1,198,536)	
<b>Net cash inflow from operating activities</b>		<b>2,628,057</b>		<b>17,457,524</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,014,547)		(1,264,690)	
Proceeds on disposal of tangible fixed assets		5,496		-	
Interest received		38,126		66,129	
<b>Net cash used in investing activities</b>		<b>(970,925)</b>		<b>(1,198,561)</b>	
<b>Financing activities</b>					
Repayment of borrowings		(1,000,000)		-	
Repayment of bank loans		(5,763,000)		(1,925,000)	
<b>Net cash used in financing activities</b>		<b>(6,763,000)</b>		<b>(1,925,000)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(5,105,868)</b>		<b>14,333,963</b>	
Cash and cash equivalents at beginning of Period		24,946,284		10,612,321	
<b>Cash and cash equivalents at end of Period</b>		<b>19,840,416</b>		<b>24,946,284</b>	

# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 OCTOBER 2017

---

### 1 Accounting policies

#### Company information

Nimax Theatres Limited is a private company limited by shares incorporated in England and Wales. The registered office is 11 Maiden Lane, London, WC2E 7NA.

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company's accounting period covers the 52 weeks ended 1 October 2017. The comparative period covered the 53 weeks ended 2 October 2016.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over 10 years, this change in accounting estimate is a requirement under FRS102 as previously the goodwill was written off over 20 years.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Plant and machinery	10% straight line
Fixtures, fittings & equipment	10 - 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Freehold buildings are included in the balance sheet at their open market value. Freehold buildings and related improvement costs are not depreciated on the grounds that the depreciation charge and accumulated depreciation are immaterial and the estimated residual value is not materially different from the carrying amount of the asset.

This is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors this is necessary for the financial statements to give a true and fair view.

# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2017

---

### 1 Accounting policies

(Continued)

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 1 OCTOBER 2017

---

#### 1 Accounting policies

(Continued)

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

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.

# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2017

---

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 1 OCTOBER 2017

---

#### 1 Accounting policies

(Continued)

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### **1.12 Employee benefits**

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.14 Leases**

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

##### **1.15 Payments received on account**

Ticket sales collected on behalf of producers are paid out in the week following the performance, and are treated as payments received on account in the balance sheet.

A high proportion of the payments received on account relate to the advance sales to the very popular Harry Potter show.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2017

### 3 Turnover and other revenue

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

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Theatre management	25,250,512	20,259,212

	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	38,126	66,129

	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	25,250,512	20,259,212

### 4 Exceptional costs/(income)

	2017 £	2016 £
Exceptional items	274,524	1,198,536

These include the non capitalised costs of the refurbishments at the Garrick and Palace theatres carried out and completed in the financial period. Other costs relate to the ongoing works connected with the Apollo theatre.

### 5 Operating profit

	2017 £	2016 £
Operating profit for the period is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	30,000	40,000
Depreciation of owned tangible fixed assets	279,610	235,109
Amortisation of intangible assets	170,000	170,000

# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2017

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the Period was:

2017 Number	2016 Number
314	282

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	9,156,082	7,584,943
Social security costs	834,002	722,187
Pension costs	137,435	74,786
	<u>10,127,519</u>	<u>8,381,916</u>

### 7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>150,000</u>	<u>67,500</u>

### 8 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	38,126	63,171
Other interest income	-	2,958
	<u>38,126</u>	<u>66,129</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>38,126</u>	<u>63,171</u>
--	---------------	---------------

# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2017

### 9 Interest payable and similar expenses

	2017 £	2016 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	136,789	330,778
<b>Other finance costs:</b>		
Other interest	8,484	13,740
	<u>145,273</u>	<u>344,518</u>

### 10 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,072,974	787,135
<b>Deferred tax</b>		
Origination and reversal of timing differences	37,983	72,274
	<u>1,110,957</u>	<u>859,409</u>

The actual charge for the Period can be reconciled to the expected charge for the Period based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	6,700,377	3,390,960
Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	1,306,574	678,192
Tax effect of expenses that are not deductible in determining taxable profit	83,787	313,378
Permanent capital allowances in excess of depreciation	(89,504)	(132,161)
Under/(over) provided in prior years	(209,521)	-
Other adjustments	19,621	-
	<u>1,110,957</u>	<u>859,409</u>

# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2017

### 11 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 3 October 2016 and 1 October 2017	3,400,000
<b>Amortisation and impairment</b>	
At 3 October 2016	1,870,000
Amortisation charged for the Period	170,000
At 1 October 2017	2,040,000
<b>Carrying amount</b>	
At 1 October 2017	1,360,000
At 2 October 2016	1,530,000

### 12 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 3 October 2016	2,884,110	1,462,554	1,424,925	5,771,589
Additions	-	631,468	383,079	1,014,547
Disposals	-	-	(8,941)	(8,941)
At 1 October 2017	2,884,110	2,094,022	1,799,063	6,777,195
<b>Depreciation and impairment</b>				
At 3 October 2016	80,524	609,834	602,713	1,293,071
Depreciation charged in the Period	29,641	81,284	168,685	279,610
Eliminated in respect of disposals	-	-	(3,445)	(3,445)
At 1 October 2017	110,165	691,118	767,953	1,569,236
<b>Carrying amount</b>				
At 1 October 2017	2,773,945	1,402,904	1,031,110	5,207,959
At 2 October 2016	2,803,586	852,718	822,210	4,478,514

### 13 Fixed asset investments

	2017 £	2016 £
Unlisted investments	24,567,739	24,567,739

# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2017

### 14 Subsidiaries

Details of the company's subsidiaries at 1 October 2017 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	Direct	% Held Indirect
Palace Theatre London Limited	England and Wales Theatre owners and ancillary activities	Ordinary shares	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/ (Loss) £	Capital and Reserves £
Palace Theatre London Limited	-	24,006,100

### 15 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	4,201,136	5,148,285
Equity instruments measured at cost less impairment	24,567,739	24,567,739
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	29,679,601	39,945,764

### 16 Stocks

	2017 £	2016 £
Finished goods and goods for resale	156,574	131,151

### 17 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,947,979	4,894,495
Other debtors	253,157	253,790
Prepayments and accrued income	572,876	477,723
	4,774,012	5,626,008



# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 1 OCTOBER 2017

#### 18 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	19	-	5,763,000
Other borrowings	19	642,121	1,642,121
Payments received on account		19,551,688	23,802,807
Trade creditors		2,034,222	2,158,875
Amounts due to group undertakings		4,342,517	4,225,974
Corporation tax		410,226	406,535
Other taxation and social security		659,797	1,397,724
Other creditors		1,105,145	1,605,458
Accruals and deferred income		2,003,908	747,529
		<u>30,749,624</u>	<u>41,750,023</u>

#### 19 Loans and overdrafts

	2017 £	2016 £
Bank loans	-	5,763,000
Other loans	642,121	1,642,121
	<u>642,121</u>	<u>7,405,121</u>
Payable within one year	<u>642,121</u>	<u>7,405,121</u>

The bank loan was repaid during the year and no new bank loan was taken out by Nimax Theatres Limited.

#### 20 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	21	<u>155,597</u>	<u>117,614</u>

# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2017

### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
<b>Balances:</b>		
Accelerated capital allowances	155,597	117,614
	<u>155,597</u>	<u>117,614</u>
<b>Movements in the Period:</b>		2017 £
Liability at 3 October 2016		117,614
Charge to profit or loss		37,983
		<u>155,597</u>
Liability at 1 October 2017		<u>155,597</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 22 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	137,435	74,786
	<u>137,435</u>	<u>74,786</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 23 Share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
500 Ordinary A shares of £1 each	500	500
500 Ordinary B shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

### 24 Related party transactions

On 16 October 2013, Nimax Theatres Limited purchased the freehold property at 11-12 Maiden Lane, London, from 402 Strand Limited, a company controlled by Mr M Weitzenhoffer, a director. At the balance sheet date, deferred consideration of £Nil (2016 - £590,067) remains due to 402 Strand Limited.

# NIMAX THEATRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 OCTOBER 2017

### 25 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	5,589,420	2,531,551
<b>Adjustments for:</b>		
Taxation charged	1,110,957	859,409
Finance costs	145,273	344,518
Investment income	(38,126)	(66,129)
Exceptional items	274,524	1,198,536
Amortisation and impairment of intangible assets	170,000	170,000
Depreciation and impairment of tangible fixed assets	279,610	235,109
<b>Movements in working capital:</b>		
(Increase) in stocks	(25,423)	(35,322)
Decrease/(increase) in debtors	851,996	(2,787,522)
(Decrease)/increase in creditors	(4,241,090)	17,335,197
<b>Cash generated from operations</b>	<b>4,117,141</b>	<b>19,785,347</b>