

Registration number: 08386064

# **Trafalgar UK Theatres Holdings Limited** **(formerly HQ Theatres & Hospitality Limited)**

## **Annual Report and Unaudited Financial Statements**

Period from 28 March 2021 to 25 December 2021

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# Trafalgar UK Theatres Holdings Limited

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**Directors**

H J Enright  
A Hargreaves  
A Hill  
D J Lazar  
C E McGuigan  
Sir H H Panter  
A Schmidt  
Dame R A Squire  
P Brayshaw

**Registered office**

Ashcombe Court  
Woolsack Way  
Godalming  
GU7 1LQ

# Trafalgar UK Theatres Holdings Limited

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## Strategic Report

for the Period from 28 March 2021 to 25 December 2021

### Introduction

The directors present their strategic report for the period ended 25 December 2021. The company did not trade during the financial period ended 25 December 2021 and as such, there is no business review of KPIs to note.

The strategy and future developments of the company are to continue as an intermediary holding company.

### Directors statement of compliance with duty to promote the success of the company

The board of directors consider both individually and as a board, that they have acted in a manner they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole (having regard to the stakeholders and matters set out in s172 (1) (a-f) of the Companies Act 2006) in the decisions made during the period ended 25 December 2021.

The directors consider the likely consequences that might result from any decisions made of actions taken on the long-term future of the company and its stakeholders.

In relation to its trading subsidiaries, the directors continue to monitor and develop relationships with its customers, artists, partner theatres and suppliers as a key contributor to the company's ongoing success.

The decisions made and actions undertaken by the directors' aim to represent and maintain the company's reputation for appropriate standards of business conduct.

Approved by the Board on 27 Sept 2022 and signed on its behalf by:



.....  
H Enright  
Director

# Trafalgar UK Theatres Holdings Limited

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## Directors' Report

for the Period from 28 March 2021 to 25 December 2021

*The directors present their report and the unaudited financial statements for Trafalgar UK Theatres Holdings Limited ('the Company'), for the period from 28 March 2021 to 25 December 2021.*

### Directors of the Company

The directors, who held office during the period, were as follows:

H J Enright

A Hargreaves

A Hill

D J Lazar

Sir H H Panter

A Schmidt

Dame R A Squire

J J C Russell (resigned 31 March 2022)

The following directors were appointed after the period end:

C E McGuigan (appointed 4 May 2022)

P Brayshaw (appointed 1 July 2022)

### Principal activity

The principal activity of the Company is that of a non-trading holding company.

### Going concern

The majority shareholder of Trafalgar Entertainment Group Limited ("the Group") has confirmed in writing to the Group its commitment to continue to provide cash flow funding, if required, to assist the Group, including Trafalgar UK Theatres Holdings Limited, in meeting its liabilities as they fall due, up to the funding cap of £20m, for a period of twelve months from the date of approval of the financial statements.

The Group has performed analysis to consider potential downside scenarios resulting from the ongoing impact of the Pandemic on the Group's businesses. Management had modelled the most severe downside scenario which assumes longer lasting closures and trade impacts than the stretch scenarios so far indicated by the UK government, with no revenue assumed under this scenario for the remainder of 2022 and limited reduction in fixed costs not directly resulting from revenue. Having considered the detailed forecasts, including severe downside scenarios, the level of shareholder funding provided during the period ended 25 December 2021 and the funding committed and available at the balance sheet date the directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the consolidated financial statements and, in turn, their subsidiaries' financial statements.

### Directors' third party indemnity provisions

Each Director has been provided with a qualifying third-party indemnity from the Group to which the Company belongs. The Group maintains Directors' and officers' liability insurance.

# Trafalgar UK Theatres Holdings Limited

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## Directors' Report

for the Period from 28 March 2021 to 25 December 2021

### Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on <sup>27 Sept 2022</sup>..... and signed on its behalf by:



.....  
H Enright  
Director

## Trafalgar UK Theatres Holdings Limited

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### **Statement of Total Comprehensive Income** for the Period from 28 March 2021 to 25 December 2021

The company has not traded during the period or the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit or loss.

The notes on pages 8 to 17 form an integral part of these financial statements.

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# Trafalgar UK Theatres Holdings Limited

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## Statement of Financial Position

as at 25 December 2021

	Note	25 December 2021 £	27 March 2021 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	6	1,670,003	1,670,003
<b>Current assets</b>			
Debtors	7	<u>91</u>	<u>91</u>
<b>Total assets</b>		<u>1,670,094</u>	<u>1,670,094</u>
<b>Liabilities</b>			
<b>Capital and reserves</b>			
Called up share capital	8	1,004	1,004
Share premium		1,669,000	1,669,000
<b>Current liabilities</b>			
Creditors	10	<u>90</u>	<u>90</u>
<b>Total liabilities</b>		<u>1,670,094</u>	<u>1,670,094</u>

For the financial period ending 25 December 2021 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 27.Sept.2022 and signed on its behalf by:



.....  
H Enright - Director

Company registration number: 08386064

The notes on pages 8 to 17 form an integral part of these financial statements.

## Trafalgar UK Theatres Holdings Limited

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### Statement of Changes in Equity

for the Period from 28 March 2021 to 25 December 2021

	<i>Called up share capital £</i>	<i>Share premium £</i>	<i>Total £</i>
At 1 April 2020	<u>1,004</u>	<u>1,669,000</u>	<u>1,670,004</u>
At 27 March 2021	<u>1,004</u>	<u>1,669,000</u>	<u>1,670,004</u>
At 25 December 2021	<u>1,004</u>	<u>1,669,000</u>	<u>1,670,004</u>

The notes on pages 8 to 17 form an integral part of these financial statements.

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# Trafalgar UK Theatres Holdings Limited

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## Notes to the Unaudited Financial Statements

for the Period from 28 March 2021 to 25 December 2021

### 1 General information

The Company is a private company limited by shares, incorporated and domiciled in England & Wales.

The address of its registered office is:

Ashcombe Court

Woolsack Way

Godalming

GU7 1LQ

### 2 Accounting policies

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The financial statements have been prepared on a historical cost basis. The financial statements are prepared in sterling (£) and all values are rounded to the nearest thousand pound.

These financial statements are the first presented under FRS 101. Trafalgar UK Theatres Holdings Limited transitioned to FRS 101 from the previously applicable UK GAAP as at 1 April 2020. There was no impact of the transition on previously reported figures.

#### **Summary of disclosure exemptions**

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of i. paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 10(f) (statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);

# Trafalgar UK Theatres Holdings Limited

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## Notes to the Unaudited Financial Statements for the Period from 28 March 2021 to 25 December 2021

### 2 Accounting policies (continued)

- 111 (cash flow statement information); and
- 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraphs 30 and 31 of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors';
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' (inter group transactions).

#### **Going concern**

The majority shareholder of Trafalgar Entertainment Group Limited ("the Group") has confirmed in writing to the Group its commitment to continue to provide cash flow funding, if required, to assist the Group, including Trafalgar UK Theatres Holdings Limited, in meeting its liabilities as they fall due, up to the funding cap, for a period of twelve months from the date of approval of the financial statements.

The Group has performed analysis to consider potential downside scenarios resulting from the ongoing impact of the Pandemic on the Group's businesses. Management had modelled the most severe downside scenario which assumes longer lasting closures and trade impacts than the stretch scenarios so far indicated by the UK government, with no revenue assumed under this scenario for the remainder of 2022 and limited reduction in fixed costs not directly resulting from revenue. Having considered the detailed forecasts, including severe downside scenarios, the level of shareholder funding provided during the period ended 25 December 2021 and the funding committed and available at the balance sheet date the directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the consolidated financial statements and, in turn, their subsidiaries' financial statements.

#### **Exemption from preparing group accounts**

The financial statements contain information about Trafalgar UK Theatres Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Trafalgar Entertainment Group Limited, a company incorporated in England and Wales.

#### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 28 March 2021 have had a material effect on the financial statements.

#### **Investments**

Investments in subsidiaries are measured at cost less any provision for impairment.

# Trafalgar UK Theatres Holdings Limited

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## Notes to the Unaudited Financial Statements

for the Period from 28 March 2021 to 25 December 2021

### 2 Accounting policies (continued)

#### *Financial instruments*

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as debtors and creditors.

#### *Financial instruments*

##### *Initial recognition*

The company recognises financial assets and financial liabilities in the statement of financial position when, and only when, the company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of the Company's financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.

##### *Classification and measurement*

Financial instruments are classified at inception. All the Company's financial assets and financial liabilities are measured at amortised cost. The classification and the basis for measurement are subject to the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

##### *Financial assets and liabilities at amortised cost*

A financial asset is measured at amortised cost provided it meets both of the following conditions:-

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All the Company's financial liabilities are measured at amortised cost using the effective interest rate method.

# Trafalgar UK Theatres Holdings Limited

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## Notes to the Unaudited Financial Statements

for the Period from 28 March 2021 to 25 December 2021

### 2 Accounting policies (continued)

#### **Derecognition**

##### *Financial assets*

The company derecognises a financial asset when;

- the contractual rights to the cash flows from the financial asset expire,
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

##### *Financial liabilities*

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

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

##### *Measurement of Expected Credit Losses*

The Company recognises loss allowances for expected credit losses (ECL) on financial assets.

The company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the company recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the company recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the company recognises the lifetime ECL.

Provisions for credit-impairment are recognised in the statement of income and are reflected in accumulated provision balances against each relevant financial instruments balance.

# Trafalgar UK Theatres Holdings Limited

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## Notes to the Unaudited Financial Statements

for the Period from 28 March 2021 to 25 December 2021

### 2 Accounting policies (continued)

Evidence that the financial asset is credit-impaired include the following;

- Significant financial difficulties of the borrower or issuer;
- A breach of contract such as default or past due event;
- The restructuring of the loan or advance by the company on terms that the company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the security because of financial difficulties; or
- There is other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the company, or economic conditions that correlate with defaults in the company.

For trade receivables, the company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the historical payment profiles of sales for the Company. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

#### **Provisions for impairment**

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

# Trafalgar UK Theatres Holdings Limited

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## Notes to the Unaudited Financial Statements

for the Period from 28 March 2021 to 25 December 2021

### 3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies (which are described in note 2), 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no judgements or material estimation uncertainties affecting the report financial performance or position in the current period.

### 4 Staff costs

The Company had no employees during the financial period (period to 27 March 21 - nil) other than the directors.

### 5 Directors' remuneration

The Company's directors did not receive any remuneration from the Company during the period. They were remunerated for their services by other companies within the group to which Trafalgar UK Theatres Holdings Limited belongs and consider it is not possible to determine the proportion of their remuneration which relates to qualifying services for this company. Their total remuneration from Trafalgar Entertainment Group Limited is disclosed in the financial statements of that company.

### 6 Investments

£

#### *Subsidiaries*

#### *Cost and carrying amount*

At 27 March 2021 and 25 December 2021

1,670,003

# Trafalgar UK Theatres Holdings Limited

## Notes to the Unaudited Financial Statements

for the Period from 28 March 2021 to 25 December 2021

### 6 Investments (continued)

Details of the subsidiaries as at 25 December 2021 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2021	2021
HQ Hospitality Limited*	Dormant company	Ashcombe Court, Woolsack Way Godalming, GU7 1LQ United Kingdom	100%	100%
Trafalgar UK Theatres Limited (formerly HQ Theatres Limited)*	Theatre management	Ashcombe Court Woolsack Way Godalming, GU7 1LQ United Kingdom	100%	100%
Trafalgar UK Theatres Swindon Limited (formerly Wyvern Theatre Limited)	Theatre operation management	Ashcombe Court Woolsack Way Godalming, GU7 1LQ United Kingdom	100%	100%
Trafalgar UK Theatres Hayes Limited (formerly Beck Theatre Limited)	Theatre operation management	Ashcombe Court Woolsack Way Godalming, GU7 1LQ United Kingdom	100%	100%
Trafalgar UK Theatres Hastings Limited (formerly White Rock Theatre Hastings Limited)	Theatre operation management	Ashcombe Court, Woolsack Way Godalming, GU7 1LQ United Kingdom	100%	100%
Trafalgar UK Theatres Dartford Limited (formerly Orchard Theatre Dartford Limited)	Theatre operation management	Ashcombe Court, Woolsack Way Godalming, GU7 1LQ United Kingdom	100%	100%

## Trafalgar UK Theatres Holdings Limited

### Notes to the Unaudited Financial Statements

for the Period from 28 March 2021 to 25 December 2021

#### 6 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2021	2021
Trafalgar UK Theatres Southend Limited (formerly Southend Theatres Limited)	Theatre operation management	Ashcombe Court, Woolsack Way Godalming, GU7 1LQ United Kingdom	100%	100%
Trafalgar UK Theatres Guildford Limited (formerly HQ Theatres Guildford Limited)	Theatre operation management	Ashcombe Court, Woolsack Way Godalming, GU7 1LQ United Kingdom	100%	100%
Trafalgar UK Theatres Crewe Limited (formerly Lyceum Theatre Crewe Limited)	Theatre operation management	Ashcombe Court, Woolsack Way Godalming, GU7 1LQ United Kingdom	100%	100%
Trafalgar UK Theatres High Wycombe Limited (formerly Wycombe Arts Management Limited)	Theatre operation management	Ashcombe Court, Woolsack Way Godalming, GU7 1LQ United Kingdom	100%	100%
Trafalgar UK Theatres Bromley Limited (formerly HQ Theatres Bromley Limited)	Theatre operation management	Ashcombe Court, Woolsack Way Godalming, GU7 1LQ United Kingdom	100%	100%
Trafalgar UK Theatres Cardiff Limited (formerly New Theatre Cardiff Limited)	Theatre operation management	Ashcombe Court, Woolsack Way Godalming, GU7 1LQ United Kingdom	100%	100%

\* indicates direct investment of HQ Theatres & Hospitality Holdings Limited



# Trafalgar UK Theatres Holdings Limited

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## Notes to the Unaudited Financial Statements

for the Period from 28 March 2021 to 25 December 2021

### 6 Investments (continued)

The Company is also the sole member of Trafalgar Entertainment Trust (previously HQ Theatres Trust), a registered charity with charity number 1145989. The registered address of Trafalgar Entertainment Trust is Ashcombe Court, Woolsack Way, Godalming, GU7 1LQ, United Kingdom.

### 7 Debtors

	25 December 2021 £	27 March 2021 £
Other debtors	<u>91</u>	<u>91</u>

### 8 Share capital

*Allotted, called up and fully paid shares*

	25 December 2021		27 March 2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,004</u>	<u>1,004</u>	<u>1,004</u>	<u>1,004</u>

#### *Rights, preferences and restrictions*

Ordinary shares have the following rights, preferences and restrictions:

Full voting, dividend and capital distribution (including on winding up rights); they do not confer any rights of redemption.

### 9 Reserves

#### *Share premium*

Share premium is recognised when shares are issued at a price higher than their par value.

### 10 Creditors

	25 December 2021 £	27 March 2021 £
Bank overdrafts	<u>90</u>	<u>90</u>

## Trafalgar UK Theatres Holdings Limited

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### **Notes to the Unaudited Financial Statements**

*for the Period from 28 March 2021 to 25 December 2021*

#### **11 Ultimate parent undertaking and controlling party**

The company's immediate parent is HQ Theatres & Hospitality Holdings Limited.

Trafalgar Entertainment Group Limited heads the smallest and largest group that produces publicly available consolidated financial statements incorporating the Company. These financial statements are available from Companies House. Its registered office is Ashcombe Court, Woolsack Way, Godalming, GU7 1LQ.

The ultimate controlling party is Barings Asset-Based Income Fund (US) LP, by virtue of its 80.14% holding in the issued share capital of Trafalgar Entertainment Group Limited.