

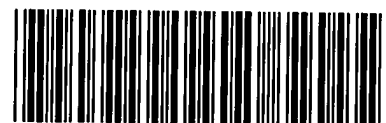
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Registered number: 09598923

HP WEST END LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 31 OCTOBER 2017

TUESDAY



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COMPANIES HOUSE

HP WEST END LIMITED

COMPANY INFORMATION

Directors	N Blair C Callender S Friedman
Registered number	09598923
Registered office	5th Floor 89 New Bond Street London W1S 1DA
Independent auditors	SRLV Audit Limited Chartered Accountants & Statutory Auditor 89 New Bond Street London W1S 1DA
Bankers	National Westminster Bank Plc PO Box 113 Cavell House 2A Charing Cross Road London WC2H 0PD

HP WEST END LIMITED

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HP WEST END LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017

The directors present their strategic report for the 52 week period ended 31 October 2017.

Business Review

HP West End Limited produces and manages the stage play Harry Potter and the Cursed Child in The Palace Theatre, London. The company was incorporated on 19 May 2015 and tickets went on sale in October 2015. These accounts reflect our second period of trading.

The demand for tickets continues to outstrip supply and the production has received positive critical acclaim. A record breaking nine Olivier Awards were received in April 2017.

For the period to 31 October 2017, revenues were £25.4m (76 weeks to 31 October 2016: £7.7m) and the company's pre-tax profit was £3.1m.

Financial key performance indicators

The key performance indicators are numbers of customers and transactions, along with the number of people trying to buy tickets that have already been sold.

Tickets are sold via our website, www.harrypottertheplay.com.

During the period from 1 November 2016 to 31 October 2017, a total of 460,000 tickets were sold, relating to performances up to April 2019.

During the same period approximately 1.1m people visited the site looking to make a purchase.

Principal risks & uncertainties

As with any theatre production, the principal risks and uncertainties are those of consumer demand, which can be impacted by a range of factors, including economic growth and competition from other productions.

The company's principal financial instruments comprise bank balances and trade and other payables.

The entity is not subject to significant risk from cash flow, foreign exchange or pricing. Its current liquidity position is positive and there is no concern surrounding this as the entity is not reliant on converting securities or assets into cash.

The directors consider the company to have sufficient funds for operations and the cash requirements of the entity are monitored and reviewed frequently.

The directors do not consider the company to have any credit risk as it does not have any loans which are repayable on demand.

Credit is not offered to consumers as all tickets must be paid for prior to the performance.

Current trading and outlook

Demand for tickets remains high. The production is expected to continue to play to 100% capacity during the current financial year.

The play also opened on Broadway in April 2018, with an upcoming production set for Australia in early 2019.

HP WEST END LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2017

This report was approved by the board on

26 JUL 2018

and signed on its behalf.

N Blair
Director



HP WEST END LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017

The directors present their report and the financial statements for the 52 week period ended 31 October 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company is that of theatrical production. The directors do not plan any changes to the Company's principal activity at this time.

Results and dividends

The profit for the 52 week period, after taxation, amounted to £3,294,599 (2016: £825,514).

The directors do not recommend payment of a dividend in respect of the period (2016: *nil*).

Directors

The directors who served during the 52 week period were:

N Blair
C Callender
S Friedman

HP WEST END LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2017

Future developments

The directors do not plan any significant changes to the Company's activities. The outlook for the future remains positive and more detail on this can be found in the Strategic Report.

Matters covered in the strategic report

The principal risks and uncertainties facing the Company and financial instruments used by the Company have been considered in the Strategic Report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

SRLV Audit Limited was appointed auditor to the Company and under section 487(2) of the Companies Act 2006, SRLV Audit Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on **26 JUL 2018** and signed on its behalf.



N Blair
Director

HP WEST END LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HP WEST END LIMITED

OPINION

We have audited the financial statements of HP West End Limited (the 'company') for the period ended 31 October 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cashflow and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

HP WEST END LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HP WEST END LIMITED (CONTINUED)

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year 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.

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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

HP WEST END LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HP WEST END LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' 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.

SRLV Audit Limited

Richard Gilbert (Senior Statutory Auditor)

for and on behalf of
SRLV Audit Limited

Chartered Accountants and Statutory Auditor

89 New Bond Street
London
W1S 1DA

Date: **30 JUL 2018**

HP WEST END LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 OCTOBER 2017

	Note	52 week period ended 31 October 2017 £	76 week period ended (as restated) 31 October 2016 £
Revenue	4	25,481,663	7,712,118
Cost of sales		(18,010,208)	(6,068,205)
Gross profit		7,471,455	1,643,913
Administrative expenses		(4,350,583)	(2,149,649)
Operating profit/(loss)	5	3,120,872	(505,736)
Tax on profit/(loss)	8	173,727	1,331,250
Profit for the period		3,294,599	825,514

There was no other comprehensive income for 2017 (2016: £nil).

The notes on pages 12 to 26 form part of these financial statements.


HP WEST END LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 (as restated) £
Fixed assets			
Intangible assets	9	3,483,020	4,242,953
Property, plant and equipment	10	1,841,219	2,242,939
Investments	11	1	-
		<u>5,324,240</u>	<u>6,485,892</u>
Current assets			
Trade and other receivables	12	2,373,149	2,951,894
Cash at bank and in hand	13	2,310,708	1,407,408
		<u>4,683,857</u>	<u>4,359,302</u>
Trade and other payables	14	(5,357,830)	(10,019,580)
Net current liabilities		<u>(673,973)</u>	<u>(5,660,278)</u>
Total assets less current liabilities		<u>4,650,267</u>	<u>825,614</u>
Provisions for liabilities			
Deferred tax	16	(530,054)	-
		<u>(530,054)</u>	<u>-</u>
Net assets		<u><u>4,120,213</u></u>	<u><u>825,614</u></u>
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account		4,120,113	825,514
		<u><u>4,120,213</u></u>	<u><u>825,614</u></u>

The notes on pages 12 to 26 form part of these financial statements.

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

 26 JUL 2018
N Blair
Director

Registered Number: 09598923

HP WEST END LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 November 2016	100	825,514	825,614
Profit for the period	-	3,294,599	3,294,599
At 31 October 2017	100	4,120,113	4,120,213

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2016

	Called up share capital £	Profit and loss account £	Total equity £
Profit for the period	-	825,514	825,514
Shares issued during the period	100	-	100
At 31 October 2016	100	825,514	825,614

HP WEST END LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 OCTOBER 2017

	2017 £	2016 (as restated) £
Cash flows from operating activities		
Profit for the period	3,294,599	825,514
Adjustments for:		
Amortisation of intangible assets	759,933	589,299
Depreciation of tangible assets	401,720	311,520
Taxation charge	(173,727)	(1,331,250)
Decrease/(increase) in debtors	1,282,528	(1,620,643)
Increase in creditors	2,529,248	1,843,239
Net cash generated from operating activities	8,094,301	617,679
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(4,832,252)
Purchase of tangible fixed assets	-	(2,378,119)
Purchase of fixed asset investments	(1)	-
Net cash used in investing activities	(1)	(7,210,371)
Cash flows from financing activities		
Issue of ordinary shares	-	100
Other new loans	-	8,000,000
Repayment of other loans	(7,191,000)	-
Net cash (used in)/generated from financing activities	(7,191,000)	8,000,100
Net increase in cash and cash equivalents	903,300	1,407,408
Cash and cash equivalents at beginning of period	1,407,408	-
Cash and cash equivalents at the end of period	2,310,708	1,407,408
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	2,310,708	1,407,408
	2,310,708	1,407,408

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2017

1. General information

HP West End Limited (the "Company") is a private company limited by shares, registered in England and Wales.

The registered office is 5th Floor, 89 New Bond Street, London W1S 1DA. The Company's principal activity is that of theatrical production. The principal place of business is Sonia Friedman Productions, 5th Floor, 65 Chandos Place, London WC2N 4HG.

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the Company.

The Company is a parent undertaking of a group and is therefore required by the Companies Act 2006 to prepare group accounts. The directors consider that the only subsidiary undertaking does not have a material effect on the group accounts and therefore has been excluded from consolidation. These financial statements, therefore, present information about the Company as an individual undertaking and not about its group.

The comparative figures are in respect of the period since incorporation on 19 May 2015 until 31 October 2016, with the Company commencing to trade in June 2016.

The preparation of financial statements in compliance with FRS 102 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).

The following principal accounting policies have been applied:

2.2 Revenue recognition

The Company's revenue primarily relates to sales of theatre tickets, 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 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 following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The capitalised production costs represent the start up costs involved in the bringing of the production to the stage. These costs are capitalised as they will continue to bring future economic benefit to the entity in future periods.

All intangible assets are considered to have a finite useful life. The assets are considered to have a useful economic life of 6 years. Amortisation is applied on a straight line basis.

During the year, the directors reviewed the basis of amortisation in relation to intangible assets. The useful economic life of the intangible assets was amended from 3 years and 5 months to 6 years. It is the opinion of the directors that this is a more appropriate useful economic life. In the current year, the carrying value of the intangible assets has been amortised with reference to the remaining useful economic life of 5 years and 7 months. At the period end, the remaining amortisation period is 4 years and 7 months.

2.4 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.

The estimated useful lives range as follows:

Equipment	- 6 years
Set & Props	- 6 years
Costumes	- 6 years

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.

During the year, the directors reviewed the basis of depreciation in relation to tangible fixed assets. The useful economic lives of equipment, set & props and costumes were amended from 3 years and 5 months to 6 years. It is the opinion of the directors that this is a more appropriate useful economic life. In the current year, the carrying value of the fixed assets has been depreciated with reference to the remaining useful economic life of 5 years and 7 months.

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

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.6 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.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty and on notice of not more than 24 hours.

2.8 Financial instruments

The Company currently only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans from third parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.9 Trade and other payables

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method.

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods.

2.10 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.

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.11 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, they are charged to the provision carried in the Statement of Financial Position.

2.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge 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 UK.

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.

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:

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.

Useful economic lives of tangible and intangible assets

Capitalised assets are considered to have a useful life of 6 years. This estimation of useful economic life is based on expectations about future use. The assets were in use for the full 12 months of this period with a further additional 4 years and 7 months of useful economic life estimated.

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2017

4. Revenue

The whole of the revenue is attributable to the Company's principal activity, and arose within the United Kingdom.

5. Profit/(loss) before tax

The profit/(loss) before tax is stated after charging:

	52 week period ended 31 October 2017 £	76 week period ended (as restated) 31 October 2016 £
Depreciation of tangible fixed assets	401,720	311,520
Amortisation of intangible assets	759,933	589,299
Defined contribution pension cost	81,018	30,666
	<u>1,242,671</u>	<u>931,485</u>

During the current and prior period, no director received any emoluments.

6. Auditors' remuneration

	52 week period ended 31 October 2017 £	76 week period ended 31 October 2016 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	15,000	12,000
	<u>15,000</u>	<u>12,000</u>

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2017

7. Employees

Staff costs were as follows:

	52 week period ended 31 October 2017 £	76 week period ended 31 October 2016 £
Wages and salaries	4,442,417	1,825,498
Social security costs	134,380	47,837
Cost of defined contribution scheme	81,018	30,666
	<u>4,657,815</u>	<u>1,904,001</u>

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

	52 week period ended 31 October 2017 No.	76 week period ended 31 October 2016 No.
Production	<u>83</u>	<u>74</u>

8. Taxation

	52 week period ended 31 October 2017 £	76 week period ended 31 October 2016 £
Corporation tax		
Current tax credit on profits for the year	(746,487)	(1,296,222)
Adjustments in respect of previous periods	7,678	-
Total current tax	<u>(738,809)</u>	<u>(1,296,222)</u>
Deferred tax		
Origination and reversal of timing differences	565,082	(35,028)
Total deferred tax	<u>565,082</u>	<u>(35,028)</u>
Taxation on profit on ordinary activities	<u>(173,727)</u>	<u>(1,331,250)</u>

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2017

8. Taxation (continued)

Factors affecting tax credit for the 52 week period

The tax assessed for the period is lower than (2016: *lower than*) the standard effective rate of corporation tax in the UK of 19.41% (2016: 20%). The differences are explained below:

	52 week period ended 31 October 2017 £	76 week period ended 31 October 2016 £
Profit/(Loss) on ordinary activities before tax	3,120,872	(505,736)
Profit/(loss) on ordinary activities multiplied by standard (effective) rate of corporation tax in the UK of 19.41% (2016: 20%)	605,762	(101,147)
Effects of:		
Other tax adjustments	(28,640)	20,436
Adjustments to tax charge in respect of prior periods	7,678	-
Short term timing difference leading to an increase (decrease) in taxation	(225,520)	1,297,178
Effect of reduction in UK tax rate	(41,029)	3,323
Theatrical production tax profit adjustment	(491,978)	(2,551,040)
Total tax credit for the period	(173,727)	(1,331,250)

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2017

8. Taxation (continued)

Factors that may affect future tax charges

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 17% from 1 April 2020, was substantially enacted on 26 October 2015. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date as appropriate. The closing deferred tax liability as at 31 October 2017 has been calculated based on the effective tax rates for the periods in which the deferred tax is expected to reverse.

The company had tax losses of £2.5m, which will be offset against future taxable profits, and a deferred tax liability in respect of fixed asset timing differences of £5.3m at the period end. This resulted in a net deferred tax liability of £0.53m, which is in the statement of financial position at the period end. The amount of the net reversal of the deferred tax liability expected to occur in the period ended 31 October 2018 is £0.178m, arising from the utilisation of tax losses and the movement on fixed asset timing differences.

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2017

9. Intangible assets

	Production Development £
Cost	
At 1 November 2016	4,832,252
At 31 October 2017	<u>4,832,252</u>
Amortisation	
At 1 November 2016	589,299
Charge for the period	759,933
At 31 October 2017	<u>1,349,232</u>
Net book value	
At 31 October 2017	<u>3,483,020</u>
At 31 October 2016	<u>4,242,953</u>

The amortisation period remaining at the period end is 4 years and 7 months.

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10. Property, plant & equipment

	Equipment £	Set & Props £	Costumes £	Total £
Cost				
At 1 November 2016	485,477	1,357,789	711,193	2,554,459
At 31 October 2017	485,477	1,357,789	711,193	2,554,459
Depreciation				
At 1 November 2016	59,205	165,584	86,731	311,520
Charge for the period	76,347	213,529	111,844	401,720
At 31 October 2017	135,552	379,113	198,575	713,240
Net book value				
At 31 October 2017	349,925	978,676	512,618	1,841,219
At 31 October 2016	426,272	1,192,205	624,462	2,242,939

11. Fixed asset investments

	Investments in subsidiary companies £
Cost	
Additions	1
At 31 October 2017	1
Net book value	
At 31 October 2017	1
At 31 October 2016	-

HP West End Limited holds 100% of the share capital of a new subsidiary company, TT Resources Limited, which was formed on 28 September 2017 and will prepare its first statutory accounts for the period ended 31 October 2018. It is planned that the entity will provide resources to theatrical productions. The registered office for the entity is 65 Chandos Place, London WC2N 4HG.

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2017

11. Fixed asset investments (continued)

Subsidiary undertaking

The following is a subsidiary undertaking of the Company:

Name	Class of shares	Holding	Principal activity
TT Resources Limited	Ordinary	100 %	Supporting activities to performing arts

12. Trade and other receivables

	2017 £	2016 (as restated) £
Trade debtors	3,291	210
Other debtors	690,426	602,989
Prepayments and accrued income	939,816	1,017,445
Tax recoverable	739,616	1,296,222
Deferred taxation	-	35,028
	<u>2,373,149</u>	<u>2,951,894</u>

13. Cash at bank and in hand

	2017 £	2016 £
Cash at bank and in hand	<u>2,310,708</u>	<u>1,407,408</u>

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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14. Trade and other payables

	2017 £	2016 (as restated) £
Other loans	809,000	8,000,000
Trade creditors	85,902	90,999
Other taxation and social security	962,894	650,153
Other creditors	93,569	308,132
Accruals and deferred income	3,406,465	970,296
	<u>5,357,830</u>	<u>10,019,580</u>

Other loans consists of investor loans received by the Company that remain outstanding at the period end. The terms for repayment were that the loans were to be repaid at such times when the entity has available sufficient reserves after covering its running costs, until the amount is either repaid in full or there are no further reserves. The investor loans were fully repaid after the period end.

Upon full repayment of the loan and at such times as the production has sufficient reserves, the co-producers and investors are contractually entitled to a profit share.

15. Financial instruments

	2017 £	2016 (as restated) £
Financial assets		
Financial assets measured at fair value through profit or loss	2,310,708	1,407,408
Financial assets that are debt instruments measured at amortised cost	693,717	603,199
	<u>3,004,425</u>	<u>2,010,607</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(4,394,936)	(9,369,427)
	<u>(4,394,936)</u>	<u>(9,369,427)</u>

Financial assets measured at amortised cost comprise trade and other receivables, excluding non-contractual receivables and items such as prepayments that are settled other than in cash.

Financial liabilities measured at amortised cost comprise trade and other payables, excluding non-contractual payables and items such as deferred income that are settled other than in cash.

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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16. Deferred taxation

	2017 £
At beginning of year	35,028
Charged to profit or loss	(565,082)
At end of year	<u>(530,054)</u>

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Tax losses carried forward	481,552	1,267,348
Fixed asset timing difference	(1,011,606)	(1,232,320)
	<u>(530,054)</u>	<u>35,028</u>

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2017

17. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

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

18. Prior year adjustment

An adjustment in the amount of £262k has been made to the prior year figures but with no impact to profit for the period. Previously, ancillary income in FY16 was only showing in the balance sheet as a creditor, due to it being owed to third parties. It has now been decided the income should be shown in the profit and loss with an opposing cost of sale and therefore the turnover and cost of sales figures have been restated to reflect this. Debtors and creditors figures have also been restated but with no impact on net assets.

19. Pension commitments

The Company operates a defined contribution 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 £81,018 (2016: £30,666) and contributions totalling £4,908 (2016: £13,272) were payable to the fund at the balance sheet date.

HP WEST END LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2017

20. Related party transactions

The Company is owned by Harry Potter Theatrical Productions Limited (50%) ("HPTP"); Sonia Friedman Productions Limited (25%) ("SFP"), a wholly owned subsidiary of The Ambassador Theatre Group ("ATG"), each registered in England and Wales, along with The Playground LLC (25%) ("TPL"), an entity incorporated in the State of Delaware, USA.

The Company has taken advantage of section 33.1A of FRS102 and has not made disclosures of transactions with wholly owned subsidiary undertakings.

In line with the Co-Production agreement between the producers, HPTP, TPL and SFP were each responsible for providing directly, or obtaining, investor finance to fund the pre-production activity amounting to £3.2m, £1.2m and £1.2m respectively. Direct cash investments from these parties into the entity in the previous period amounted to £3.2m, £0.99m and £0.99m respectively. The balances outstanding at the period end were £0.32m, £0.10m and £0.10m (2016: £3.2m, £0.99m and £0.99m) respectively.

During the period, aggregate fees, royalties, merchandising and ancillary income amounting to £2.9m (2016: £0.93m) were payable to the above related parties.

Additionally, the above related parties were entitled, under specific contractual arrangements to receive a share of profits totalling £1.9m in aggregate (2016: nil).

At the period end, an aggregate amount of £2.4m (2016: £0.41m) was due to the above related parties.

During the previous period, ATG provided initial working capital to the Company amounting to £3.7m, all of which was fully repaid by the prior period end. At 31 October 2017, there were no outstanding amounts between ATG and the Company (2016: £0.02m receivable).

During the previous period, SFP Shows Limited ("SFPS"), a wholly owned subsidiary of SFP, provided initial working capital to the Company amounting to £0.45m, all of which was fully repaid by the prior period end. At 31 October 2017, there were no outstanding amounts between SFPS and the Company (2016: £0.015m receivable).

During the period, the Company incurred costs on behalf of Train Times Broadway Limited Partnership, a limited partnership incorporated in the State of New York, USA, and subject to common ownership and control. The costs incurred of £0.33m (2016: £nil) remain outstanding at the period end (2016: £nil).

During the period, the Company incurred costs in respect of anticipated future productions. Costs totalling £0.21m (2016: £nil) are included in other debtors at the period end. Subsequent to the balance sheet date, entities have been in the process of being incorporated in overseas locations and these amounts will be recharged once the entities are fully set up.

There was no compensation in respect of key management personnel during the current or prior period.

21. Controlling party

The directors do not consider there to be an overall controlling party.