

Annual Report and
Financial Statements for
the year ended
31 December 2017

Full House Midco
Limited
Registered No. 08794621

Registered office:
Barnard's Inn
86 Fetter Lane, London EC4A 1EN

FRIDAY MONDAY



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Full House Midco Limited
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Full House Midco Limited

Strategic report

The directors present their strategic report on the Company for the year ended 31 December 2017.
The directors in preparing this strategic report have complied with s414c of the Companies Act 2006.

Introduction

The principal activity of Full House Midco Limited is that of an intermediate holding company within the group of companies headed by Full House Topco Limited (the Group).
The subsidiary undertaking is listed in note 8 to the accounts.

Business review

The business continues to act as an intermediate holding company and will continue to do so for the foreseeable future.

Principal risks and uncertainties

The principal risks relate to the operations of the subsidiary company which operates in the theatre ticket industry. The following are the principal risks affecting a company in the theatre ticket industry.

Competition is always a risk, however the directors believe it is well positioned to counter any such threat.

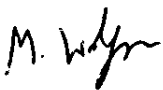
Whereas the number of theatres in London remains constant, 2017 had a lack of refreshed product and some extended dark periods in major venues, but 2018 has an encouraging line up of new product that should stimulate the market.

Global events, such as terrorist attacks, are a risk to the theatre tourism business as this business is susceptible to overseas travel fluctuations.

Future developments

The directors expect the company to continue as an intermediate holding company.

Approved by the Board and signed on its behalf by:



Michael Wolfson

Director

Date: 30 April 2018

Full House Midco Limited
Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements, for the year ended 31 December 2017.

Results and dividends

The loss before tax for the financial year amounted to £2,556,248 (2016: £1,141,000). During the year, no interim dividends were paid. The directors do not recommend the payment of a final dividend.

Principal activities and review of the business

The principal activity of Full House Midco Limited is that of an intermediate holding company within the group of companies headed by Full House Topco Limited.

Going concern

The Directors of Full House Topco Limited, the parent undertaking, have received a letter of support from ECI Partners LLP, the beneficial owners for a period of fifteen months from 30 April 2018, subject to a change in ownership.

Given the above, the directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors

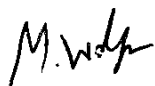
The directors who served throughout the year except as noted were as follows:

Ashley Herman
John Wales
Michael Wolfson

Exemption from audit

Full House Midco Limited is a subsidiary of Full House Topco Limited (registered number: 08794547) and is exempt from the requirement of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A.

The report was approved by the board of directors on 30 April 2018 and signed on behalf of the Board by:



Michael Wolfson
Director

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the group financial statements and IFRSs as adopted by the European Union have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

Full House Midco Limited
Statement of profit and loss and other comprehensive income
for the year ended 31 December 2017

	Note	2017 £	2016 £
Administrative expenses		(11,766)	(5,023)
Operating loss		(11,766)	(5,023)
Finance income	6	-	5,700,429
Finance costs	7	(2,544,482)	(6,836,139)
Loss before income tax		(2,556,248)	(1,140,733)
Income tax expense	8	(691,579)	(671,417)
Loss for the year		(3,247,827)	(1,812,150)
Other comprehensive income net of tax		-	-
Total comprehensive loss for the year		(3,247,827)	(1,812,150)

None of the company's activities were acquired or discontinued during the current or previous period.

Full House Midco Limited
Balance sheet
as at 31 December 2017

	Note	2017 £	2016 £
Non-current assets			
Investments	9	64,325,483	64,325,483
Deferred tax assets	10	-	237,817
Trade and other receivables	11	9,000,000	9,000,000
Total non-current assets		73,325,483	73,563,300
Total assets		73,325,483	73,563,300
Current liabilities			
Trade and other payables	12	68,597	56,831
Taxes payable		2,633,292	2,179,530
		2,701,889	2,236,361
Net current liabilities		(2,701,889)	(2,236,361)
Non-current liabilities			
Loans and borrowings	13	23,748,498	21,204,016
Total non-current liabilities		23,748,498	21,204,016
Total liabilities		26,450,387	23,440,377
Net assets		46,875,096	50,122,923
Equity			
Share capital	15	5,784	5,784
Share premium	16	572,576	572,576
Other reserves	17	53,500,020	53,500,020
Retained earnings	18	(7,203,284)	(3,955,457)
Total equity		46,875,096	50,122,923
Total equity and liabilities		73,325,483	73,563,300

For the year ended 31 December 2017, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements for Full House Midco Limited (registered no. 08794621) on pages 6 to 17 were approved by the Board of Directors on 30 April 2018 and signed on behalf of the Board by:

Michael Wolfson
Director



Full House Midco Limited
Statement of changes in equity
For the year ended 31 December 2017

	Note	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
At 1 January 2016		5,784	572,576	-	(2,143,307)	(1,564,947)
Issue of shares		-	-	-	-	-
*Debt capitalisation	17	-	-	53,500,020	-	53,500,020
Profit for the year		-	-	-	(1,812,150)	(1,812,150)
At 31 December 2016		5,784	572,576	53,500,020	(3,955,457)	50,122,923
Profit for the year		-	-	-	(3,247,827)	(3,247,827)
At 31 December 2017		5,784	572,576	53,500,020	(7,203,284)	46,875,096

*Debt capitalisation related to the capitalisation of rollover loan note and loan note principal and interest as part of the refinancing agreement with shareholders in 2016.

Full House Midco Limited
Cash flow statement
as at 31 December 2017

	Note	2017 £	2016 £
Cash flow from operating activities			
Loss before tax		(2,556,248)	(1,140,733)
Adjustments for:			
Finance income	6	-	(5,700,429)
Finance costs	7	2,544,482	6,836,139
Increase in payables		11,766	4,023
Net cash from operations		-	(1,000)
Net decrease in cash and bank balances		-	(1,000)
Cash and bank balances at the beginning of the year		-	1,000
Cash and bank balances at the end of the year		-	-

Full House Midco Limited
Notes to the financial statements
for the year ended 31 December 2017

1. General information

Full House Midco Limited is a private limited company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006. The address and registered office is Barnard's Inn, 86 Fetter Lane, London EC4A 1EN. The principal activity of the company is set out on page 4.

2. Changes in accounting policies and new and amended standards not applied

Changes in accounting policies

The following new standards, amendments to standards and interpretations were mandatory for the first time for the financial year beginning 1 January 2017, but had no significant impact on the Company:

- IAS 7 (amendment) – Statement of cash flows
- IAS 12 (amendment) – Income taxes

New Standards and amendments not applied

Standards, interpretations and amendments to existing standards that have been published as mandatory for later accounting periods but are not yet effective and have not been adopted early by the Company are as follows:

- IFRS 2 (amendment) – Share-based payments (effective for accounting periods beginning on or after 1 January 2018);
- IFRS 9 – Financial Instruments (effective for accounting periods beginning on or after 1 January 2018);
- IFRS 10, IAS 28 (amendment) – Sale or Contribution of Assets (effective date postponed);
- IFRS 15 – Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018);
- IFRS 16 – Leases (effective for accounting periods beginning on or after 1 January 2019);
- IFRS 4 (amendment) – Insurance contracts (effective for accounting periods beginning on or after 1 January 2018);
- IAS 40 (amendment) – Investment property (effective for accounting periods beginning on or after 1 January 2018);
- Annual improvements (2014-2016 Cycle) (effective for accounting periods beginning on or after 1 January 2018); and
- IFRIC 22 – Foreign currency transactions and advance consideration (effective for accounting periods beginning on or after 1 January 2018).

The Directors do not expect that the adoption of the Standards and amendments listed above will have a material impact on the financial statements of the company in future periods.

Full House Midco Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

3. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding period. These were used throughout all periods presented in the financial statements, except where the company has applied certain accounting policies and exemptions upon transition to IFRS.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Group are presented in note 2.

3.1. Basis of preparation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as applicable to small and medium-sized entities. The financial statements of the Company are prepared on the historical cost basis, except certain financial instruments that are stated at fair value. These are the separate accounts of Full House Midco Limited and the exemption from consolidation has been applied. Full House Midco Limited's accounts are consolidated in the accounts of Full House Topco Limited, a company incorporated in England and Wales. The consolidated accounts are available at the registered office of Full House Midco Limited; the accounts are presented in sterling and rounded to the nearest pound.

3.2. Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on page 3.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors have assessed the responses of the directors of the company's ultimate parent, Full House Topco Limited, to their enquiries and have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Full House Topco Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Full House Topco Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3.3. Revenue

Revenue represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where revenue is recognized when the company obtains the right to consideration.

3.4. Investments

Investments are shown at cost less provision for impairment.

3.5. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Full House Midco Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

3. Significant accounting policies (continued)

3.5 Taxation (continued)

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRSs requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Those which are significant to the Group are discussed separately below:

Income taxes

The Company recognises expected assets and liabilities for tax based on an estimation of the likely taxes due, which requires judgement as to the ultimate tax determination of certain items. Where the actual liability or benefit arising from these items differs from these estimates, such differences will have an impact on income tax and deferred tax provisions in the period when such determination is made. Detail of the tax charge is set out in note 8 and detail of deferred tax is set out in note 10.

5. Directors remuneration

The directors do not receive any remuneration from the Company. The aggregate remuneration received by the directors during the year from other Group companies was £656,360 (2016 - £665,204). The highest paid director received £166,016 (2016: £135,976).

6. Finance income

	2017	2016
	£	£
Investment revenues		
Interest receivable from related parties	-	5,700,429
	-	5,700,429

7. Finance costs

	2017	2016
	£	£
Finance costs		
Interest on loan notes	2,544,482	6,836,139
	2,544,482	6,836,139

Full House Midco Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

8. Tax

Tax on loss/profit on ordinary activities

	2017	2016
	£	£
Corporation tax:		
Current tax on loss for the year	453,762	631,976
Adjustments in respect of prior years	-	11,639
Total current tax	453,762	643,615
Deferred tax:		
Adjustment in respect of previous periods	237,817	(4,553)
Effect of changes in tax rates	-	32,355
Total deferred tax	237,817	27,802
Tax	691,579	671,417

8.1. Factors affecting tax charge for the year

Corporation tax is calculated at 19.25% (2016: 20.00%) of the estimated taxable loss for the year. The corporation tax rate changed from 20% to 19% on 1 April 2017.

8.2. Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The charge for the year can be reconciled to the profit in the income statement as follows:

	2017	2016
	£	£
Loss for the year - continuing operations	(2,556,248)	(1,140,733)
Tax on loss at standard rate of 19.25% (2016: 20.%)	(492,191)	(228,147)
Adjustments in respect of prior years	691,579	43,994
Expenses not deductible	438,387	855,064
Effects of other tax rates	-	506
Amounts not recognised	53,804	-
	691,579	671,417

Full House Midco Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

9. Investments

	2017	2016
	£	£
Cost at 1 January	64,325,483	3,578,360
Additions	-	60,747,123
Cost at 31 December	64,325,483	64,325,483

The Company has investments in the following subsidiary undertaking which is incorporated in the United Kingdom and registered in England and Wales. The registered office of the subsidiary is: Barnard's Inn, 86 Fetter Lane, London EC4A 1EN.

Company	% holding	Share class	Principal activity
Full House Bidco Limited	100	Ordinary	Service company

10. Deferred tax assets

	2017	2016
	£	£
Provision at the start of the period	237,817	265,619
Adjustment in respect of prior years	(237,817)	(32,355)
Deferred tax charge to income statement in the period	-	4,553
	-	237,817
Temporary differences in trading	-	237,817
	-	237,817
Recoverable within 12 months	-	5,000
Recoverable after 12 months	-	232,817
	-	237,817

11. Trade and other receivables

	2017	2016
	£	£
Non-current		
Amounts owed by related parties	9,000,000	9,000,000
	9,000,000	9,000,000

12. Trade and other payables

	2017	2016
	£	£
Current		
Amounts owing to related parties	68,597	56,831
	68,597	56,831

Full House Midco Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

13. Loans and borrowings

	2017	2016
	£	£
Shareholder loan	9,000,000	9,000,000
Shareholder loan interest	1,272,754	172,101
Loan notes	11,805,240	11,805,240
Loan notes - Interest	1,669,939	226,110
Amounts owing to related parties	565	565
	23,748,498	21,204,016

Loans are repayable between two and five years. Average interest rates are : 12% (2016: 12%)

14. Analysis of changes in net debt

	31 December 2016	Cash flows	Non-cash	31 December 2017
	£	£	£	£
Current liabilities				
Debt due with in 1 year	2,236,361	-	465,528	2,701,889
No-Current liabilities				
Loans over one year	21,204,016	-	2,544,482	23,748,498
Net debt	23,440,377	-	3,010,010	26,450,387

	2017	2016
	£	£
(Decrease)/increase in cash	-	(1,000)
	-	(1,000)
Other non-cash adjustments	2,556,248	(37,016,243)
Movement in net debt	2,556,248	(37,017,243)
Net debt at 1 January	23,440,377	60,457,620
	25,996,625	23,440,377

15. Share capital

	2017	2016
	£	£
578,360 ordinary shares of £0.01 each	5,784	5,784
Additions 2017: nil (2016: 41 shares of £0.01 each)	-	-
	5,784	5,784

All shares are fully allotted and paid up.

16. Share premium account

	2017	2016
	£	£
At 1 January	572,576	572,576
At 31 December	572,576	572,576

Full House Midco Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

17. Other reserves

	2017	2016
	£	£
At 1 January	53,500,020	-
Debt capitalisation	-	53,500,020
At 31 December	53,500,020	53,500,020

Other reserves relate to the capitalisation of rollover loan note and loan note principal and interest as part of the refinancing of the Group in 2016.

18. Retained earnings

	2017	2016
	£	£
At 1 January	(3,955,457)	(2,143,307)
Net loss for the year	(3,247,827)	(1,812,150)
At 31 December	(7,203,284)	(3,955,457)

19. Financial risk management

Objectives and policies

The Company's principal financial liabilities comprise loans and borrowings. The main purpose of these financial liabilities is to raise finance for the subsidiaries operations.

The Company is exposed to credit risk, interest rate risk, and liquidity risk.

The Company's senior management oversees the management of these risks and ensures the financial risk-taking activities are governed by appropriate policies and procedures and the financial risks are identified, measured and managed in accordance with Company policies and Company risk appetite.

The Board of Managers reviews and agrees policies for managing each of these risks which are summarised below.

a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its role as a service company and from its financing activities, including deposits with banks.

b) Interest rate risk

All balances are with related parties and the interest rate risk is low.

c) Foreign currency risk

The Company has no significant foreign currency risk.

d) Liquidity Risk

The Company is funded by related parties and the liquidity risk is limited to that of the parent company. The going concern of Full House Topco Limited has been assessed and the liquidity risk is low for the foreseeable future.

Full House Midco Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

19. Financial risk management (continued)

Objectives and policies (continued)

e) Capital risk management

The Company's capital structure and policies are regularly reviewed to ensure that they remain relevant to the Company's business plans for growth. The Company is financed by its shareholder.

The carrying amounts of financial instruments are as follows:

	Less than 1 month	1 to 3 months	3 months to 1 year	Over 1 year	Total
31 December 2017	£	£	£	£	£
Financial assets - Loans and receivables					
Amounts owed by Group entities	-	-	-	9,000,000	9,000,000
Cash and bank balances	-	-	-	-	-
Financial liabilities - at amortised cost					
Trade and other payables	-	-	(68,597)	-	(68,597)
Amounts owed to Group entities	-	-	-	(23,748,498)	(23,748,498)
Net debt	-	-	(68,597)	(14,748,498)	(14,817,095)

	Less than 1 month	1 to 3 months	3 months to 1 year	Over 1 year	Total
31 December 2016	£	£	£	£	£
Financial assets - Loans and receivables					
Amounts owed by Group entities	-	-	-	9,000,000	9,000,000
Cash and bank balances	-	-	-	-	-
Financial liabilities - at amortised cost					
Trade and other payables	-	-	(56,831)	-	(56,831)
Amounts owed to Group entities	-	-	-	(21,204,016)	(21,204,016)
Net debt	-	-	(56,831)	(12,204,016)	(12,260,847)

20. Related party transactions

The Group has a controlling shareholder relationship with its ultimate parent, ECI Partners LLP.

21. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking of the company is Full House Topco Limited, a company incorporated in the United Kingdom and registered in England and Wales.

Full House Topco Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of these accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3U2.

The directors consider the ultimate controlling party of the company to be ECI Partners LLP acting in its capacity as manager of EC19A LP and EC19B LP.