

Annual Report and
Financial Statements for
the year ended
31 December 2018

Full House Midco
Limited

Registered No. 08794621

Registered office:

Harling House
47-51 Great Suffolk Street,
London SE1 0BS

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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 2018.
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, tickets for some popular shows in 2018 were not widely available to Encore and other theatres had a lack of refreshed product and there were some extended dark periods in major venues, which is a typical feature of the market. 2019 will also have some dark periods but there is an encouraging line up of new product that should stimulate the market and Encore should have more access to some of the larger shows.

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

The imminent prospect of Great Britain leaving the European Union might present a risk to tourism and increases foreign exchange risk, though the latter is not material to the Group, however a devaluation in currency may drive up inbound tourism, which would be an opportunity for the business.

Future developments

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

Full House Midco Limited
Strategic report

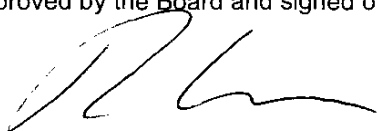
Going concern

The financial position of the Company is set out on page 8 and its cash flows on page 10. The Company's objectives, policies and processes for managing its capital; its financial risk management objectives and its exposure to credit risk and liquidity risk is set out in note 18 to the financial statements.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facility and associated covenants. The analysis performed by management looks at a number of trading scenarios and management is confident that they can manage the business within its covenants under all likely trading scenarios.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Approved by the Board and signed on its behalf by:



Richard West

Director

Date: 29 April 2019

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 2018.

Results and dividends

The loss before tax for the financial year amounted to £2,646,692 (loss 2017: £2,556,248). 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

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The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facility and associated covenants. The analysis performed by management looks at a number of trading scenarios and management is confident that they can manage the business within its covenants under all likely trading scenarios.

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Directors

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

Ashley Herman

Joe Steele Appointed 16 May 2018

John Wales Resigned 16 May 2018

Richard West Appointed 27 September 2018

Michael Wolfson Resigned 27 September 2018

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 29 April 2019 and signed on behalf of the Board by:



Richard West
Director

Full House Midco Limited

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 2018

	Note	2018 £	2017 £
Administrative expenses		(9,165)	(11,766)
Operating loss		(9,165)	(11,766)
Finance costs	6	(2,637,527)	(2,544,482)
Loss before income tax		(2,646,692)	(2,556,248)
Income tax expense	7	-	(691,579)
Loss for the year		(2,646,692)	(3,247,827)
Other comprehensive income net of tax		-	-
Total comprehensive loss for the year		(2,646,692)	(3,247,827)

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 2018

	Note	2018 £	2017 £
Non-current assets			
Investments	8	64,325,483	64,325,483
Deferred tax assets	9	-	-
Trade and other receivables	10	10,820,000	9,000,000
Total non-current assets		75,145,483	73,325,483
Total assets		75,145,483	73,325,483
Current liabilities			
Trade and other payables	11	77,761	68,597
Taxes payable		2,633,292	2,633,292
		2,711,053	2,701,889
Net current liabilities		(2,711,053)	(2,701,889)
Non-current liabilities			
Loans and borrowings	12	12,248,798	23,748,498
Total non-current liabilities		12,248,798	23,748,498
Total liabilities		14,959,851	26,450,387
Net assets		60,185,632	46,875,096
Equity			
Share capital	14	5,785	5,784
Share premium	15	572,576	572,576
Other reserves	16	69,457,247	53,500,020
Retained earnings	17	(9,849,976)	(7,203,284)
Total equity		60,185,632	46,875,096
Total equity and liabilities		75,145,483	73,325,483

For the year ended 31 December 2018, 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 7 to 18 were approved by the Board of Directors on 29 April 2019 and signed on behalf of the Board by:


Richard West
Director

Full House Midco Limited
Statement of changes in equity
For the year ended 31 December 2018

	Note	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
At 1 January 2017		5,784	572,576	53,500,020	(3,955,457)	50,122,923
Issue of shares		-	-	-	-	-
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
Issue of shares		1	-	-	-	1
*Debt capitalisation	16	-	-	15,957,227	-	15,957,227
Profit for the year		-	-	-	(2,646,692)	(2,646,692)
At 31 December 2018		5,785	572,576	69,457,247	(9,849,976)	60,185,632

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

Full House Midco Limited
Cash flow statement
as at 31 December 2018

	Note	2018 £	2017 £
Cash flow from operating activities			
Loss before tax		(2,646,692)	(2,556,248)
Adjustments for:			
Finance costs	6	2,637,527	2,544,482
Increase in payables		9,165	11,766
Net cash from operations		-	-
Net movement in cash and bank balances		-	-
Cash and bank balances at the beginning of the year		-	-
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 2018

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 Harling House 47-51 Great Suffolk Street, London SE1 0BS. The principal activity of the company is set out on page 4.

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

New and amended standards adopted by the company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

- IFRS 9 *Financial Instruments*
 - IFRS 15 *Revenue from Contracts with Customers*
 - *Annual Improvements 2014-2016 cycle*
- The Company also elected to adopt the following amendments early:
- *Annual Improvements to IFRS Standards 2015-2017 Cycle*

The Company has not had to change its accounting policies or make retrospective adjustments following the adoption of IFRS 9 and IFRS 15.

New Standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the company. The Company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 16 Leases

Nature of change

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases.

Impact

The Company has reviewed all of the Company's leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will not impact the accounts as the Company has not entered in to lease contracts.

Full House Midco Limited
Notes to the financial statements (continued)
for the year ended 31 December 2018

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 2018

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 £900,190 (2017 - £656,360). The highest paid director received £274,097 (2017: £166,016).

6. Finance costs

	2018	2017
	£	£
Finance costs		
Interest on loan notes	2,637,527	2,544,482
	2,637,527	2,544,482

Full House Midco Limited
Notes to the financial statements (continued)
for the year ended 31 December 2018

7. Tax

Tax on loss/profit on ordinary activities

	2018	2017
	£	£
Corporation tax:		
Current tax on loss for the year	-	453,762
Adjustments in respect of prior years	-	-
Total current tax	-	453,762
Deferred tax:		
Adjustment in respect of previous periods	-	237,817
Effect of changes in tax rates	-	-
Total deferred tax	-	237,817
Tax	-	691,579

7.1. Factors affecting tax charge for the year

Corporation tax is calculated at 19.00% (2017: 19.25%) of the estimated taxable loss for the year. The corporation tax rate changed from 20% to 19% on 1 April 2017.

7.2. 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:

	2018	2017
	£	£
Loss for the year - continuing operations	(2,646,692)	(2,556,248)
Tax on loss at standard rate of 19.00% (2017: 19.25%)	(502,871)	(492,191)
Adjustments in respect of prior years		691,579
Expenses not deductible	502,871	438,387
Effects of other tax rates	-	-
Amounts not recognised	-	53,804
	-	691,579

Full House Midco Limited
Notes to the financial statements (continued)
for the year ended 31 December 2018

8. Investments

	2018	2017
	£	£
Cost at 1 January	64,325,483	64,325,483
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: Harling House 47-51 Great Suffolk Street, London SE1 0BS.

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

9. Deferred tax assets

	2018	2017
	£	£
Provision at the start of the period	-	237,817
Adjustment in respect of prior years	-	(237,817)
Deferred tax charge to income statement in the period	-	-
	-	-

10. Trade and other receivables

	2018	2017
	£	£
Non-current		
Amounts owed by related parties	10,820,000	9,000,000
	10,820,000	9,000,000

11. Trade and other payables

	2018	2017
	£	£
Current		
Amounts owing to related parties	77,761	68,597
	77,761	68,597

Full House Midco Limited
Notes to the financial statements (continued)
for the year ended 31 December 2018

12. Loans and borrowings

	2018	2017
	£	£
Shareholder loan	10,820,000	9,000,000
Shareholder loan interest	1,428,792	1,272,754
Loan notes	(559)	11,805,240
Loan notes - Interest	-	1,669,939
Amounts owing to related parties	565	565
	12,248,798	23,748,498

Loans are repayable between two and five years. Average interest rates are : 11% (2017: 12%)

13. Analysis of changes in net debt

	31 December 2017	Cash flows	Non-cash	31 December 2018
	£	£	£	£
Current liabilities				
Debt due with in 1 year	2,701,889	-	9,164	2,711,053
No-Current liabilities				
Loans over one year	23,748,498	-	(11,499,700)	12,248,798
Net debt	26,450,387	-	(11,490,536)	14,959,851

	2018	2017
	£	£
(Decrease)/increase in cash	-	-
Other non-cash adjustments	(11,490,536)	3,010,010
Movement in net debt	(11,490,536)	3,010,010
Net debt at 1 January	26,450,387	23,440,377
	14,959,851	26,450,387

14. Share capital

	2018	2017
	£	£
578,360 ordinary shares of £0.01 each	5,784	5,784
Additions 2018: 12 shares of £0.01 each nil (2017: nil)	1	-
	5,785	5,784

All shares are fully allotted and paid up.

15. Share premium account

	2018	2017
	£	£
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 2018

16. Other reserves

	2018	2017
	£	£
At 1 January	53,500,020	53,500,020
Debt capitalisation	15,957,227	-
At 31 December	69,457,247	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.

17. Retained losses

	2018	2017
	£	£
At 1 January	(7,203,284)	(3,955,457)
Net loss for the year	(2,646,692)	(3,247,827)
At 31 December	(9,849,976)	(7,203,284)

18. 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 2018

18. 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 2018	£	£	£	£	£
Financial assets - Loans and receivables					
Amounts owed by Group entities	-	-	-	10,820,000	10,820,000
Cash and bank balances	-	-	-	-	-
Financial liabilities - at amortised cost					
Trade and other payables	-	-	(77,761)	-	(77,761)
Amounts owed to Group entities	-	-	-	(11,918,430)	(11,918,430)
Net debt	-	-	(77,761)	(1,098,430)	(1,176,191)

	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)

19. Related party transactions

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

20. 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 ECI9A LP and ECI9B LP.