

Registered number: 01226628

QUEEN PRODUCTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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QUEEN PRODUCTIONS LIMITED

COMPANY INFORMATION

Directors	B H May R M Taylor J R Deacon
Company secretary	R W Lee A J Thompson (resigned 7 June 2018)
Registered number	01226628
Registered office	4 Gee's Court St Christopher's Place London W1U 1JD
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS
Bankers	Coutts and Co 440 Strand London WC2R 0QS
Solicitors	Lee & Thompson 4 Gee's Court St Christopher's Place London W1U 1JD

QUEEN PRODUCTIONS LIMITED

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QUEEN PRODUCTIONS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

Business review

The group is principally engaged in the promotion of various services and productions of certain musicians. In assessing the performance of the group, the directors consider that success is determined in light of the level of sales of products from which the group derives its income and hence the group's key performance indicator is considered to be the level of royalty income.

During the year turnover increased by £3,388,462. The increase in turnover in the year can be attributed to the film Bohemian Rhapsody and the fees received in connection therewith in the year. Given the success of the film it was anticipated there would be further income from the film in the year ended 30th September 19, and in the years thereafter.

Future Developments

The directors believe that the gross core income from royalties will continue to be generated in the immediate future at a satisfactory level.

Principal risks and uncertainties

The group uses a variety of financial instruments including cash deposits and net trade debtors arising from its operations. The main purpose of these financial instruments is to provide working capital for the group's operations. Given the nature of the group's operations and the financial instruments in existence the company is exposed to very limited credit, liquidity or interest rate risk.

Credit risk

The principal credit risk arises from its trade debtors. In order to manage the credit risk associated with this the directors review payment plans on a regular basis.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest rate risk

The group finances its operations through cash generated from retained earnings.

Financial key performance indicators

Various key performance indicators are used by the directors to monitor and compare the performance of the group. They regard the following as the key financial indicators of performance, all of which can be observed in the attached financial statements.

Turnover £21,943,984 (2017: £18,555,522)

Profit before tax £11,802,057 (2017: £7,685,894)

The directors are more than satisfied with the results for the year and anticipate the performance of the current year to be at least matched in the coming year.

QUEEN PRODUCTIONS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

This report was approved by the board and signed on its behalf.

R M Taylor
Director

Date:



12/6/19

QUEEN PRODUCTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present their report and the financial statements for the year ended 30 September 2018.

Results and dividends

The profit for the year, after taxation, amounted to £9,665,570 (2017: £6,002,944).

Dividends of £7,779,200 were paid during the year (2017: £5,846,200).

Directors

The directors who served during the year were:

B H May
R M Taylor
J R Deacon

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Matters covered in the strategic report

The directors have included principal risks and uncertainties in the Strategic report and that information is not repeated here under S414c of the Companies Act 2006.

QUEEN PRODUCTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



R M Taylor
Director

Date: 12 / 6 / 19



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEEN PRODUCTIONS LIMITED

Opinion

We have audited the financial statements of Queen Productions Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2018, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and notes to the financial statements, 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 Group's and of the parent Company's affairs as at 30 September 2018 and of the Group's profit for the year 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and Parent 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 Group's or the parent 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEEN PRODUCTIONS 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 auditor's 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.

Opinions 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 group 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 group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the directors' report.

Matters on which we are required to report by exception

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEEN PRODUCTIONS LIMITED
(CONTINUED)**

Responsibilities of directors for the financial statements

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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Amrish Shah BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Wokingham
Date: 13 June 2019

QUEEN PRODUCTIONS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	21,943,984	18,555,522
Cost of sales		(5,227,369)	(5,988,397)
Gross profit		16,716,615	12,567,125
Administrative expenses		(4,917,432)	(4,894,679)
Operating profit	5	11,799,183	7,672,446
Interest receivable and similar income	7	2,874	13,617
Interest payable and expenses	8	(1)	(169)
Profit before taxation		11,802,056	7,685,894
Tax on profit	9	(2,136,486)	(1,682,950)
Profit for the financial year		9,665,570	6,002,944
		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		9,665,570	6,002,944
Profit for the year attributable to:			
Owners of the parent Company		9,665,570	6,002,944
		9,665,570	6,002,944
Total comprehensive income for the year attributable to:			
Owners of the parent Company		9,665,570	6,002,944

The notes on pages 14 to 28 form part of these financial statements.

QUEEN PRODUCTIONS LIMITED
REGISTERED NUMBER:01226628

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Tangible assets	12	-	-
Current assets			
Debtors: amounts falling due within one year	14	4,605,137	2,863,966
Cash at bank and in hand	15	5,958,414	5,690,161
		<u>10,563,551</u>	<u>8,554,127</u>
Creditors: amounts falling due within one year	16	(4,894,459)	(4,771,405)
Net current assets		<u>5,669,092</u>	<u>3,782,722</u>
Net assets		<u><u>5,669,092</u></u>	<u><u>3,782,722</u></u>
Capital and reserves			
Called up share capital	18	100	100
Profit and loss account	19	5,668,992	3,782,622
Equity attributable to owners of the parent Company		<u><u>5,669,092</u></u>	<u><u>3,782,722</u></u>

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

R M Taylor
Director

Date:

12/6/19

The notes on pages 14 to 28 form part of these financial statements.

QUEEN PRODUCTIONS LIMITED
REGISTERED NUMBER:01226628

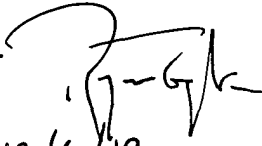
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	-	-
Investments	13	106	106
		<u>106</u>	<u>106</u>
Current assets			
Debtors: amounts falling due within one year	14	4,667,213	3,025,531
Cash at bank and in hand	15	3,622,037	3,282,736
		<u>8,289,250</u>	<u>6,308,267</u>
Creditors: amounts falling due within one year	16	(3,124,757)	(2,941,193)
Net current assets		<u>5,164,493</u>	<u>3,367,074</u>
Total assets less current liabilities		<u>5,164,599</u>	<u>3,367,180</u>
Net assets		<u><u>5,164,599</u></u>	<u><u>3,367,180</u></u>
Capital and reserves			
Called up share capital	18	100	100
Profit and loss account brought forward	19	3,367,080	3,258,619
Profit for the year		9,576,619	5,954,661
Other changes in the profit and loss account		(7,779,200)	(5,846,200)
		<u>5,164,499</u>	<u>3,367,080</u>
Profit and loss account carried forward		<u><u>5,164,599</u></u>	<u><u>3,367,180</u></u>

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

R M Taylor
Director

Date:


12/6/19

The notes on pages 14 to 28 form part of these financial statements.

QUEEN PRODUCTIONS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2017	100	3,782,622	3,782,722
Profit for the year	-	9,665,570	9,665,570
Total comprehensive income for the year	-	9,665,570	9,665,570
Dividends: Equity capital	-	(7,779,200)	(7,779,200)
Total transactions with owners	-	(7,779,200)	(7,779,200)
At 30 September 2018	100	5,668,992	5,669,092

The notes on pages 14 to 28 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2016	100	3,625,878	3,625,978
Profit for the year	-	6,002,944	6,002,944
Total comprehensive income for the year	-	6,002,944	6,002,944
Dividends: Equity capital	-	(5,846,200)	(5,846,200)
Total transactions with owners	-	(5,846,200)	(5,846,200)
At 30 September 2017	100	3,782,622	3,782,722

The notes on pages 14 to 28 form part of these financial statements.

QUEEN PRODUCTIONS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2017	100	3,367,080	3,367,180
Profit for the year	-	9,576,619	9,576,619
Total comprehensive income for the year	-	9,576,619	9,576,619
Contributions by and distributions to owners			
Dividends: Equity capital	-	(7,779,200)	(7,779,200)
Total transactions with owners	-	(7,779,200)	(7,779,200)
At 30 September 2018	100	5,164,499	5,164,599

The notes on pages 14 to 28 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2016	100	3,258,619	3,258,719
Profit for the year	-	5,954,661	5,954,661
Total comprehensive income for the year	-	5,954,661	5,954,661
Contributions by and distributions to owners			
Dividends: Equity capital	-	(5,846,200)	(5,846,200)
Total transactions with owners	-	(5,846,200)	(5,846,200)
At 30 September 2017	100	3,367,080	3,367,180

The notes on pages 14 to 28 form part of these financial statements.

QUEEN PRODUCTIONS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	9,665,570	6,002,944
Adjustments for:		
Depreciation of tangible assets	50,639	99,407
Interest paid	1	169
Interest received	(2,874)	(13,617)
Taxation charge	2,136,486	1,682,950
(Increase) in debtors	(1,682,304)	(1,589,380)
Increase in creditors	74,865	1,149,985
Corporation tax (paid)	(2,147,164)	(308,756)
Net cash generated from operating activities	8,095,219	7,023,702
Cash flows from investing activities		
Purchase of tangible fixed assets	(50,639)	(15,018)
Interest received	2,874	13,617
Net cash from investing activities	(47,765)	(1,401)
Cash flows from financing activities		
Dividends paid	(7,779,200)	(5,846,200)
Interest paid	(1)	(169)
Net cash used in financing activities	(7,779,201)	(5,846,369)
Net increase in cash and cash equivalents	268,253	1,175,932
Cash and cash equivalents at beginning of year	5,690,161	4,514,229
Cash and cash equivalents at the end of year	5,958,414	5,690,161
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,958,414	5,690,161

The notes on pages 14 to 28 form part of these financial statements.

QUEEN PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. General information

Queen Productions Limited is a private company limited by shares and registered in England and Wales. Its registered head office's address and registered number is disclosed in the Company information page.

The group's principal activity is the promotion of various services and productions of certain musicians.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The financial statements are presented in Sterling (£) and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 October 2014.

2.3 Going concern

The directors have reviewed the expected results and working capital requirement of the group for a period of at least 12 months from the signing of the financial statements and on this basis consider that it is appropriate to prepare the financial statements on a going concern basis.

QUEEN PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.4 Turnover

Turnover is measured as the fair value of the consideration received or receivable (excluding Value Added Tax) by the group in the ordinary course of business for royalties, production, performance and concession fees. It is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Non-refundable royalties are recognised on an accruals basis unless rights have been licenced for the asset's entire useful life.

Turnover in respect of production, performance and concession fees is recognised once individual performances have been given.

2.5 Tangible fixed assets

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 15% - 33%
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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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Debtors

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.

QUEEN PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.9 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

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

QUEEN PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.12 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

2.15 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

QUEEN PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.16 Taxation

Tax is recognised in the consolidated 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 countries where the Company and the Group operate and generate income.

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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

In preparing financial statements in accordance with FRS 102, management is required to make judgements on the basis of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date, and the reported amounts of revenues and expenses during the reporting period.

Management reviews the estimates and assumptions on a continuous basis, by reference to past experiences and other factors that can be reasonably be used to assess the book values of assets and liabilities. Adjustments to accounting estimates are recognised in the period in which the estimate is revised if the change affects only that period or in the period of the revision and subsequent periods, if both periods are affected. Actual results may differ from those estimates.

Judgements and estimated that have the most significant impact on the amounts reported in these financial statements and have a risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Debtors

Management applies judgement in evaluating the recoverability of debtors. This judgement is based on the ageing profile of debtors and historical experience. To the extent that the directors believe debtors not to be recoverable they have been provided for in the financial statements.

QUEEN PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

4. Turnover

The turnover and profit before tax are attributable to the promotion of various services and products of certain musicians. Given the nature of the company's activities, any analysis of turnover between different geographical markets is impracticable to determine and would in any case be of little meaning or relevance.

5. Operating profit

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets	50,639	99,407
Exchange differences	(8,454)	52,622

During the year, no director received any emoluments (2017: £Nil) for services to the company or its subsidiaries. There were no other employees (2017: Nil).

6. Auditor's remuneration

	2018	2017
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	53,150	41,375
Fees payable to the Group's auditor and its associates in respect of:		
Fees payable to the Group's auditor in respect of non-audit services	10,250	14,225

7. Interest receivable

	2018	2017
	£	£
Other interest receivable	2,874	13,617

8. Interest payable and similar expenses

	2018	2017
	£	£
Bank interest payable	1	169

QUEEN PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	2,076,382	1,544,426
Adjustments in respect of previous periods	(194,689)	(80,660)
	<u>1,881,693</u>	<u>1,463,766</u>
Foreign tax		
Foreign tax on income for the year	254,793	219,184
Total current tax	<u><u>2,136,486</u></u>	<u><u>1,682,950</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017: *higher than*) the standard rate of corporation tax in the UK of 19% (2017: 19.5%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>11,802,056</u>	<u>7,685,894</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.5%)	2,242,391	1,498,624
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,310	20,983
Excess (capital allowances) / depreciation not recognised	9,621	(36,934)
Adjustments to tax charge in respect of prior periods	(194,689)	(80,660)
Other differences leading to an increase/(decrease) in the tax charge	70,853	280,937
Total tax charge for the year	<u><u>2,136,486</u></u>	<u><u>1,682,950</u></u>

Factors that may affect future tax charges

The standard rate of corporation tax in the UK will be reduced by 2% to 17% in 2020.

QUEEN PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

10. Dividends

	2018	2017
	£	£
A ordinary	2,332,850	1,989,550
B ordinary	2,146,400	1,475,900
C ordinary	1,986,950	1,343,500
D ordinary	1,313,000	1,037,250
	<u>7,779,200</u>	<u>5,846,200</u>

11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £9,576,619 (2017 - £5,954,661).

QUEEN PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

12. Tangible fixed assets

Group and Company

	Plant & machinery £
Cost or valuation	
At 1 October 2017	2,070,563
Additions	50,639
Disposals	(50,000)
At 30 September 2018	<u>2,071,202</u>
Depreciation	
At 1 October 2017	2,070,563
Charge for the year on owned assets	50,639
Disposals	(50,000)
At 30 September 2018	<u>2,071,202</u>
Net book value	
At 30 September 2018	<u><u>-</u></u>
At 30 September 2017	<u><u>-</u></u>

QUEEN PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

13. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Queen Touring Limited	Ordinary	100 %	Production of concert tours
Raincloud Productions Limited	Ordinary	100 %	Promotion of non-UK compositions of certain musicians
We Will Rock You Limited	Ordinary	100 %	Licensing of musicals and hiring of theatrical equipment
Queen Theatrical Productions Limited	Ordinary	100 %	Production of musicals
Queen Films Limited *	Ordinary	100 %	Licensing in connection with film production
Queen Online Limited	Ordinary	100 %	Dormant
We Will Rock You Films Ltd **	Ordinary	100 %	Dormant
Queen Extravaganza, Inc	Ordinary	100 %	Promotion of concert tours

* 1 share held via Raincloud Productions Limited as nominee

** held indirectly via Queen Theatrical Productions Limited.

All subsidiary undertakings of the Company are incorporated in England & Wales, other than Queen Extravaganza, Inc. which is incorporated in the USA.

The registered office for all subsidiary companies excluding Queen Extravaganza Inc. is 4 Gee's Court, St. Christopher's Place, London, W1U 1JD. The registered office of Queen Extravaganza Inc. is 21255 Burbank Blvd #320, Woodland Hills, CA 91367.

QUEEN PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

13. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2017	106
At 30 September 2018	<u>106</u>
Net book value	
At 30 September 2018	<u>106</u>
At 30 September 2017	<u>106</u>

14. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	3,844,891	1,922,934	3,738,019	1,721,119
Amounts owed by group undertakings	-	-	342,001	438,348
Amounts owed to related parties	49,535	49,443	6,361	49,420
Other debtors	344,641	595,880	229,119	429,105
Prepayments and accrued income	94,924	83,632	100,467	186,207
Tax recoverable	271,146	212,077	251,246	201,332
	<u>4,605,137</u>	<u>2,863,966</u>	<u>4,667,213</u>	<u>3,025,531</u>

QUEEN PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

15. Cash and cash equivalents

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Cash at bank and in hand	5,958,414	<i>5,690,161</i>	3,622,037	<i>3,282,736</i>

16. Creditors: Amounts falling due within one year

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Trade creditors	319,540	<i>144,905</i>	252,364	<i>238,928</i>
Amounts owed to group undertakings	-	<i>-</i>	7,157	<i>6,251</i>
Amounts owed to related parties	722,964	<i>676,546</i>	541,145	<i>586,004</i>
Corporation tax	1,277,168	<i>1,228,978</i>	922,935	<i>765,000</i>
Other taxation and social security	292,259	<i>287,276</i>	-	<i>-</i>
Other creditors	394,378	<i>349,237</i>	64,526	<i>86,610</i>
Directors' loan accounts	40,430	<i>80,816</i>	40,430	<i>80,816</i>
Accruals and deferred income	1,847,720	<i>2,003,647</i>	1,296,200	<i>1,177,584</i>
	4,894,459	<i>4,771,405</i>	3,124,757	<i>2,941,193</i>

Included within group accruals is £193,958 (2017: £195,475) due to Duck Productions Limited and £193,958 (2017: £195,475) due to Nightjar Productions Limited in respect of licences and service fees. Also included in group accruals is an amount of £118,135 (2017: £54,000) due to Goldfinch Productions Limited in respect of service fees and £31,792 (2017: £Nil) due to Queen Music Limited.

Included within company accruals is £168,958 (2017: £148,000) due to Duck Productions Limited, £168,135 (2017: £148,000) due to Nightjar Productions Limited, £118,135 (2017: £54,000) due to Goldfinch Productions Limited and £9,620 (2017: £Nil) due to Queen Music Limited in respect of service fees.

QUEEN PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

17. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets measured at fair value through profit or loss	5,958,414	5,690,161	3,622,037	3,282,736
Financial assets that are debt instruments measured at amortised cost	4,099,294	2,568,258	4,231,087	2,637,992
	<u>10,057,708</u>	<u>8,258,419</u>	<u>7,853,124</u>	<u>5,920,728</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(3,325,032)</u>	<u>(3,255,151)</u>	<u>(2,201,822)</u>	<u>(2,176,193)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors and amounts receivable from both group undertakings and related parties.

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals, amounts receivable by both group undertakings and related parties and directors' loan accounts.

18. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
25 (2017: 25) A ordinary shares of £1 each	25	25
25 (2017: 25) B ordinary shares of £1 each	25	25
25 (2017: 25) C ordinary shares of £1 each	25	25
25 (2017: 25) D ordinary shares of £1 each	25	25
	<u>100</u>	<u>100</u>

The different classes of shares carry equal rights in respect of dividends and capital. The holders can receive dividends at differing rates with the unanimous agreement of all shareholders.

19. Reserves

Called up share capital - represents the nominal value of share that have been issued.

Profit and loss account - includes all current and prior period retained profits and losses.

QUEEN PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

20. Related party transactions

The company has taken advantage of the exemption as provided by Section 33, Related Party Disclosures, not to disclose transactions with fellow wholly owned group companies included within the group financial statements.

Details of transactions and balances with related undertakings during and at the end of the year are shown below. These related undertakings are related by virtue of common directorship and shareholdings.

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Sales to/(purchases from)				
Goldfinch Productions Limited	(790,166)	(611,842)	(724,554)	(544,632)
Duck Productions Limited	(1,288,310)	(1,379,133)	(1,145,010)	(1,223,452)
Nightjar Productions Limited	(1,233,189)	(1,397,486)	(1,091,799)	(1,195,476)
Queen Music Limited	(4,697,603)	3,833,871	389,362	10,733
London Stereoscopic Company Limited	(4,154)	2,850	(4,154)	2,850
Miracle Productions LLP	-	187,204	-	187,284
	<hr/>	<hr/>	<hr/>	<hr/>
	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Balances due from / (due to)				
Goldfinch Productions Limited	(252,284)	(123,935)	(297,270)	(123,935)
Duck Productions Limited	(179,144)	(197,606)	(351,957)	(197,606)
Nightjar Productions Limited	(242,281)	(258,480)	(341,908)	(258,412)
Queen Music Limited	-	(88,194)	(10,460)	2,302
London Stereoscopic Company Limited	(735)	(2,178)	(735)	(2,178)
Miracle Productions LLP	1,016	43,245	-	43,245
Tonleigh Limited	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

During the year, royalties of £46,148 (2017: £20,795) were payable by the company to each of the directors. Additional charges of £21,792 were payable to B H May (2017: £15,000) in respect of storage costs.

During the year, dividends of £2,146,400 (2017: £1,475,900) were paid to B H May, dividends of £1,986,950 (2017: £1,343,500) were paid to R M Taylor and dividends of £2,332,850 (2017: £1,989,550) were paid to J R Deacon.

QUEEN PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

20. Related party transactions (continued)

The following loan balances were owed to the directors at the year-end. The loans are interest free and repayable on demand:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
B H May	17,428	47,705	17,428	47,705
R M Taylor	21,676	26,478	21,676	26,478
J R Deacon	1,326	6,633	1,326	6,633
	<u>40,430</u>	<u>80,816</u>	<u>40,430</u>	<u>80,816</u>

21. Controlling party

The shareholders, as a body, are considered to be the controlling party of the Group.