
RAYMOND GUBBAY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

RAYMOND GUBBAY LIMITED

COMPANY INFORMATION

Directors	A J H Findlay M S Cavell J Marks S Thwaites
Company secretary	D Eagers
Registered number	02695143
Registered office	2 Canal Reach C/O Sony Music Entertainment Limited London N1C 4DB
Independent auditors	Nyman Libson Paul LLP Chartered Accountants & Statutory Auditors 124 Finchley Road London NW3 5JS
Bankers	National Westminster Bank plc Knightsbridge Commercial Office 2nd Floor 180 Brompton Road London SW13 1HL

RAYMOND GUBBAY LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Introduction

The directors present their strategic report for the company for the year ended 31 March 2023.

The company continues to present a wide range of entertainment: concerts, cross over artists, special events and light trails and is established as a leading producer and promoter of such events both in the UK and more globally.

Business review

The 2022-2023 result masks the underlying strength of the Company's core product.

Light trails, events and concerts remained extremely strong throughout the year, with gross profits again exceeding £7.5 million, all but matching the previous year's record results. Notably the Company seized on the sold-out success of the light trail in Melbourne and is set to secure its dominance in the Australasian market by expanding the portfolio to include Sydney, Brisbane and Perth giving all year-round opportunity.

During 2020, in keeping with Sony Music's stated and continuing plans for expansion the Company acquired a majority share in Backyard Cinema, prior to the extent and duration of Covid-19 being known. No different to the cinema industry as a whole, the material and ongoing impact the pandemic had could not have been foreseen, resulting in significant losses. Aligned with accounting policies and recognising the uncertainty as to the recovery of the Company's loans to and investments in Backyard Cinema, these have now been fully impaired within the accounts. Backyard Cinema continues to trade, albeit in a more controlled environment, ready and able to grab new opportunities.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to weather, competition from other organisers, employee retention, venue availability and the general economic climate.

Financial key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business

This report was approved by the board on 20 December 2023 and signed on its behalf.

A J H Findlay
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors

The directors who served during the year were:

A J H Findlay
M S Cavell
J Marks
S Thwaites

Dividends

The loss for the year, after taxation, amounted to £3,766,913 (2022 - profit £4,052,458).

No ordinary dividend has been declared and paid during the year (2022: £nil).

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable contributions

During the year the company made charitable contributions of £nil (2022: £nil).

Future developments

The company continues to remain profitable and has secured locations for its productions for the foreseeable future.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Post balance sheet events

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

Financial instruments

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the company's operations. Due to the nature of the financial instruments used by the company, there is no exposure to price risk. The company's approach to managing other risks applicable to the financial statements concerned is shown below.

In respect of bank balances, liquidity risk is managed by undertaking careful cashflow forecasting and management. Trade debtors are managed in respect of credit and cash flow risks by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

Disclosure of information to auditors

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

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

Auditors

The auditors, Nyman Libson Paul LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 December 2023 and signed on its behalf.

A J H Findlay
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAYMOND GUBBAY LIMITED

Opinion

We have audited the financial statements of Raymond Gubbay Limited (the 'company') for the year ended 31 March 2023, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAYMOND GUBBAY LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAYMOND GUBBAY LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel where necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAYMOND GUBBAY LIMITED (CONTINUED)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anthony Pins (Senior Statutory Auditor)

for and on behalf of

Nyman Libson Paul LLP

Chartered Accountants

Statutory Auditors

124 Finchley Road

London

NW3 5JS

20 December 2023

RAYMOND GUBBAY LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	26,501,333	26,854,207
Cost of sales		(18,880,571)	(18,664,728)
Gross profit		<u>7,620,762</u>	<u>8,189,479</u>
Administrative expenses		(4,460,466)	(3,299,316)
Other operating income		72,158	(2,535)
Operating profit	5	<u>3,232,454</u>	<u>4,887,628</u>
Impairment of investment and intercompany loan		(6,586,387)	-
Interest receivable and similar income	9	29,469	2,911
Interest payable and similar expenses	10	(1,663)	(1,028)
(Loss)/profit before tax		<u>(3,326,127)</u>	<u>4,889,511</u>
Tax on (loss)/profit	11	(440,786)	(837,053)
(Loss)/profit after tax		<u>(3,766,913)</u>	<u>4,052,458</u>
Retained earnings at the beginning of the year		10,580,125	6,527,667
(Loss)/profit for the year		(3,766,913)	4,052,458
Retained earnings at the end of the year		<u>6,813,212</u>	<u>10,580,125</u>

The notes on pages 12 to 27 form part of these financial statements.

RAYMOND GUBBAY LIMITED
REGISTERED NUMBER: 02695143

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	1,477,526	821,452
Investments	13	619,806	792,615
		<u>2,097,332</u>	<u>1,614,067</u>
Current assets			
Stocks	14	9,112	-
Debtors: amounts falling due within one year	15	8,707,961	9,194,427
Cash at bank and in hand	16	2,220,466	7,754,744
		<u>10,937,539</u>	<u>16,949,171</u>
Creditors: amounts falling due within one year	17	(5,836,290)	(7,774,042)
Net current assets		<u>5,101,249</u>	<u>9,175,129</u>
Total assets less current liabilities		<u>7,198,581</u>	<u>10,789,196</u>
Creditors: amounts falling due after more than one year	18	(11,000)	(12,461)
Provisions for liabilities			
Deferred tax	21	(324,369)	(146,610)
		<u>(324,369)</u>	<u>(146,610)</u>
Net assets		<u><u>6,863,212</u></u>	<u><u>10,630,125</u></u>
Capital and reserves			
Called up share capital	22	32,000	32,000
Other reserves		18,000	18,000
Profit and loss account		6,813,212	10,580,125
		<u><u>6,863,212</u></u>	<u><u>10,630,125</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 December 2023.

A J H Findlay
Director

The notes on pages 12 to 27 form part of these financial statements.

RAYMOND GUBBAY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(3,766,913)	4,052,458
Adjustments for:		
Depreciation of tangible assets	358,389	184,030
Impairment of loans and fixed asset investment	6,586,387	-
Loss on disposal of tangible assets	118,895	1,519
Interest paid	1,663	1,028
Interest received	(29,469)	(2,911)
Taxation charge	440,786	837,053
Increase in stocks	(9,112)	-
Increase in debtors	(3,506,420)	(3,354,476)
Increase in amounts owed by group companies	(1,104,320)	(3,211,657)
(Decrease)/increase in creditors	(2,195,507)	2,932,741
Corporation tax paid	(688,733)	(357,868)
Net cash generated from operating activities	(3,794,354)	1,081,917
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,133,401)	(772,911)
Sale of tangible fixed assets	-	1,162
Purchase of fixed asset investments	(619,740)	(300)
Interest received	16,340	2,911
HP interest paid	(1,072)	(1,028)
Net cash from investing activities	(1,737,873)	(770,166)
Cash flows from financing activities		
Repayment of/new finance leases	(1,460)	2,947
Interest paid	(591)	-
Net cash used in financing activities	(2,051)	2,947
Net (decrease)/increase in cash and cash equivalents	(5,534,278)	314,698
Cash and cash equivalents at beginning of year	7,754,744	7,440,046
Cash and cash equivalents at the end of year	2,220,466	7,754,744
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,220,466	7,754,744

RAYMOND GUBBAY LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023

	At 1 April 2022	Cash flows	At 31 March
	£	£	2023 £
Cash at bank and in hand	7,754,744	(5,534,278)	2,220,466
Finance leases	(13,921)	1,460	(12,461)
	<u>7,740,823</u>	<u>(5,532,818)</u>	<u>2,208,005</u>

The notes on pages 12 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

Raymond Gubbay Limited is a private company limited by shares and incorporated in England and Wales. The address of its principal place of business is 2 Canal Reach, C/O Sony Entertainment Limited, London, N1C 4DB.

Information about the principal activity of the company can be found in the Business Review section of the Strategic Report.

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 management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue comprises the company's share of box office income that is recognised when a show takes place which it has produced, either alone or jointly with a third party, exclusive of VAT and trade discounts.

When the company acts as principal it recognises 100% of the box office income when the show takes place. An adjustment is made subsequently to ensure the company's share of income, as outlined in the production agreement, is recognised.

When the company is not acting as principal the company invoices for its share of overall profits when the show takes place. An adjustment is made subsequently to ensure the company's share of income, as outlined in the production agreement, is recognised.

Revenue generated from catering and sale of stock is recognised at the point of sale when payments are made.

Income received relating to shows that take place outside of the period under review is deferred.

2.3 Production costs

Production costs comprise expenditure incurred in the staging of the productions and events that the company produced during the period. These costs are recognised in the Statement of Income and Retained Earnings in the period the production occurs. Costs are stated net of any tax credits receivable on qualifying expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Computer equipment	- 33% on cost
Motor vehicles	- 33% on cost
Fixtures, fittings and equipment	- 20-33% on cost
Music library	- 10% on cost
Costumes	- 25% on cost

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 profit or loss.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.9 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.

2.10 Financial instruments

The company 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.

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

2.11 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.

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP rounded to the nearest pound.

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.

2.13 Consolidated financial statements

The financial statements contain information about Raymond Gubbay Limited as an individual company and do not contain consolidated financial information as the parent of a group. The results of the company and its subsidiaries are included in the financial statements of Sony Group Corporation, a company incorporated in Japan. The directors consider the financial statements of Sony Group Corporation, prepared under US Generally Accepted Accounting Practices, to be equivalent to the requirements of the 7th EU Directive in all material respects and have therefore taken advantage of Companies Act 2006, Section 401 as revised, and not prepared consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.14 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

Accruals

The company makes an estimate of accrued income and costs at the reporting date based on detailed production budgets for those shows that took place during the period.

Tangible assets

Tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending upon a number of factors. In re-assessing the assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment, management considers factors including the current credit rating of the debtor, the ageing profile and historical experience.

Impairment of Investments

The Company makes an annual estimate of the recoverable value of its investments in subsidiaries. When assessing impairment, management considers the subsidiary's most recent financial performance and forecasts.

4. Turnover

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	22,829,686	24,775,116
Outside United Kingdom	3,671,647	2,079,091
	<u>26,501,333</u>	<u>26,854,207</u>

5. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Exchange differences	(179,285)	(15,209)
Other operating lease rentals	29,664	127,459
	<u>208,949</u>	<u>142,668</u>

RAYMOND GUBBAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Auditors' remuneration

During the year, the company obtained the following services from the company's auditors:

	2023 £	2022 £
Fees payable to the company's auditors for the audit of the company's financial statements	19,500	19,500

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	2,626,146	2,101,026
Social security costs	285,881	261,500
Cost of defined contribution scheme	151,745	152,166
	<u>3,063,772</u>	<u>2,514,692</u>

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

	2023 No.	2022 No.
Administration, finance and marketing	15	18
Operations	16	9
	<u>31</u>	<u>27</u>

Key Management Personnel

Key management are the senior members of the events team and the company's directors. The compensation paid or payable to key management for employees services in the year was £1,348,470 (2022: £1,166,701).

RAYMOND GUBBAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	857,986	986,878
Company contributions to defined contribution pension schemes	26,392	35,978
	<u>884,378</u>	<u>1,022,856</u>

During the year retirement benefits were accruing to 2 directors (2022 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £570,306 (2022 - £564,486).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,691 (2022 - £20,270).

9. Interest receivable

	2023 £	2022 £
Bank interest receivable	<u>29,469</u>	<u>2,911</u>

10. Interest payable and similar expenses

	2023 £	2022 £
Finance leases and hire purchase contracts	1,072	1,028
Other interest payable	591	-
	<u>1,663</u>	<u>1,028</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	280,524	684,203
Adjustments in respect of previous periods	(17,497)	(197)
Total current tax	<u>263,027</u>	<u>684,006</u>
Deferred tax		
Origination and reversal of timing differences	177,759	153,047
Total deferred tax	<u>177,759</u>	<u>153,047</u>
Taxation on profit on ordinary activities	<u><u>440,786</u></u>	<u><u>837,053</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	<u>(3,326,127)</u>	<u>4,889,511</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(631,964)	929,312
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	26,170	1,245
Capital allowances for year in excess of depreciation	(30,651)	(8,225)
Adjustments to tax charge in respect of prior periods	(17,497)	(197)
Impairment charges	1,251,414	-
Orchestral tax relief	(156,686)	(85,082)
Total tax charge for the year	<u><u>440,786</u></u>	<u><u>837,053</u></u>

Factors that may affect future tax charges

In the Budget 2021, the government announced that the rate of Corporation Tax will increase to 25% from 1 April 2023 for businesses with profits of £250,000 or more. The rate will remain 19% until that date. This new law was substantively enacted in May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in the financial statements.

RAYMOND GUBBAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Tangible fixed assets

	Motor vehicles £	Fixtures, fittings and equipment £	Costumes £	Computer equipment £	Music library £
Cost or valuation					
At 1 April 2022	16,384	1,033,147	57,095	125,019	179,420
Additions	3,236	1,105,546	-	21,719	2,900
Disposals	-	(273,076)	-	(65,420)	-
At 31 March 2023	19,620	1,865,617	57,095	81,318	182,320
Depreciation					
At 1 April 2022	1,363	304,388	52,855	88,659	142,348
Charge for the year on owned assets	-	318,505	3,148	22,583	7,665
Charge for the year on financed assets	6,531	-	-	-	-
Disposals	-	(162,382)	-	(57,219)	-
At 31 March 2023	7,894	460,511	56,003	54,023	150,013
Net book value					
At 31 March 2023	11,726	1,405,106	1,092	27,295	32,307
At 31 March 2022	15,021	728,759	4,240	36,360	37,072

RAYMOND GUBBAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 April 2022	1,411,065
Additions	1,133,401
Disposals	(338,496)
At 31 March 2023	2,205,970
Depreciation	
At 1 April 2022	589,613
Charge for the year on owned assets	351,901
Charge for the year on financed assets	6,531
Disposals	(219,601)
At 31 March 2023	728,444
Net book value	
At 31 March 2023	1,477,526
At 31 March 2022	821,452

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Motor vehicles	11,726	15,021

RAYMOND GUBBAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 April 2022	792,614	1	792,615
Additions	619,740	-	619,740
At 31 March 2023	1,412,354	1	1,412,355
Impairment			
Charge for the period	792,549	-	792,549
Net book value			
At 31 March 2023	619,805	1	619,806
At 31 March 2022	792,614	1	792,615

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Raymond Gubbay Productions Limited	United Kingdom	Ordinary	100 %
Manchester Chamber Orchestra Limited	United Kingdom	Ordinary	100 %
Manchester Concert Orchestra Limited	United Kingdom	Ordinary	60 %
Backyard Cinema Limited	United Kingdom	Ordinary	51 %
Culture Creative Limited	United Kingdom	Ordinary	75 %

The aggregate of the share capital and reserves as at 31 March 2023 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Raymond Gubbay Productions Limited	2	-
Manchester Chamber Orchestra Limited	2	-
Manchester Concert Orchestra Limited	100	-
Backyard Cinema Limited (Draft results)	(5,272,254)	(2,751,974)
Culture Creative Limited	115,584	230,205

RAYMOND GUBBAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. Stocks

	2023 £	2022 £
Goods for resale	<u>9,112</u>	<u>-</u>

15. Debtors

	2023 £	2022 £
Trade debtors	1,567,827	1,850,688
Amounts owed by group undertakings	606,118	4,711,657
Other debtors	1,478,801	464,301
Prepayments and accrued income	5,055,215	2,167,781
	<u>8,707,961</u>	<u>9,194,427</u>

16. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>2,220,466</u>	<u>7,754,744</u>

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,278,820	3,149,640
Amounts owed to group undertakings	583,979	-
Corporation tax	-	326,225
Other taxation and social security	368,318	329,775
Obligations under finance lease and hire purchase contracts	1,461	1,460
Other creditors	4,512	15,525
Accruals and deferred income	3,599,200	3,951,417
	<u>5,836,290</u>	<u>7,774,042</u>

RAYMOND GUBBAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

18. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	<u>11,000</u>	<u>12,461</u>

Amounts due in respect of finance leases and hire purchase contracts are secured on the underlying assets.

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	1,461	1,460
Between 1-5 years	11,000	12,461
	<u>12,461</u>	<u>13,921</u>

20. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>2,188,945</u>	<u>6,578,845</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>1,879,710</u>	<u>3,179,086</u>

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and hire purchase contracts.

RAYMOND GUBBAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Deferred taxation

	2023 £
At beginning of year	146,610
Charged to profit or loss	177,759
At end of year	<u>324,369</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	<u>324,369</u>	<u>146,610</u>

22. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
24,032 (2022 - 24,032) A Ordinary shares of £1.00 each	24,032	24,032
6,367 (2022 - 6,367) B1 Ordinary shares of £1.00 each	6,367	6,367
1,601 (2022 - 1,601) B2 Ordinary shares of £1.00 each	1,601	1,601
	<u>32,000</u>	<u>32,000</u>

The A, B1 and B2 shares constitute separate classes of shares but, other than expressly provided for in the company's Articles of Association rank pari passu in all respects.

23. Contingent liabilities

The company purchased majority shareholdings in Backyard Cinema Limited and Culture Creative Limited, two companies incorporated and registered in the UK. As outlined in both sale and purchase agreements, there is potential deferred consideration if the companies achieve future financial targets. The probability and potential quantity of that consideration can not be reliably measured at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

24. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £151,745 (2022: £152,166). At the reporting date no amounts were owed to the fund.

25. Commitments under operating leases

At 31 March 2023 the company didn't have any future lease payments due under non-cancellable operating leases.

	2023 £	2022 £
Not later than 1 year	47,920	244,163
Later than 1 year and not later than 5 years	100,444	89,004
Total land and buildings	148,364	333,167
	2023 £	2022 £
Not later than 1 year	10,161	3,890
Later than 1 year and not later than 5 years	11,638	1,734
Total other	21,799	5,624

26. Related party transactions

The company is a wholly owned subsidiary within a group for which consolidated financial statements are publicly available and accordingly has taken advantage of the exemptions provided by Financial Reporting Standard 102 not to disclose transactions with the other group entities including its parent and fellow subsidiary undertakings.

At the reporting date the company was owed £5,793,838 (2022: £2,979,000) from Backyard Cinema Limited, a subsidiary company in which Raymond Gubbay Limited has a controlling interest. Due to the company's continued poor performance since the Covid-19 pandemic and negative liabilities position at the reporting date, the company has taken the view that the intercompany balance and the initial investment in the subsidiary should be impaired in full. This has created a debit to profit and loss totalling £6,586,387. There is no formal loan agreement and as such the loan is unsecured, interest free and has been disclosed as repayable on demand.

During the year the company acquired a controlling interest in Culture Creative Limited. During the year the company made sales totalling £28,633 (2022: £153,995) and recognised purchases of £11,719,243 (2022: £9,824,470) to/from Culture Creative Limited. At the reporting date the company was owed amounts totalling £606,118 (2022: company owed £21,466). There is no formal loan agreement and as such the loan is unsecured, interest free and has been disclosed as repayable on demand.

RAYMOND GUBBAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

27. Controlling party

The company's immediate parent undertaking is Sony Music Entertainment International Limited, a company incorporated in England and Wales. The ultimate parent company and controlling party is Sony Corporation, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Sony Corporation financial statements can be obtained from 7-1, Konan 1-chome, Minato-ku, Tokyo, 108-0075.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.