

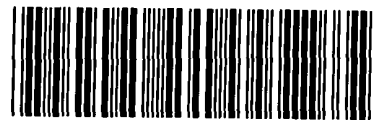
Registration number: 08159409

# Really Useful Group Investments Limited

Annual Report and consolidated financial statements

for the year ended 30 June 2015

WEDNESDAY



\*L53TW17M\*

LD2

30/03/2016

#389

COMPANIES HOUSE

## **Really Useful Group Investments Limited**

### **Contents**

<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Directors' Report</b>	<b>4</b>
<b>Directors' Responsibilities Statement</b>	<b>6</b>
<b>Independent Auditor's Report</b>	<b>7</b>
<b>Consolidated Profit and Loss Account</b>	<b>9</b>
<b>Consolidated Statement of Total Recognised Gains and Losses</b>	<b>10</b>
<b>Consolidated Balance Sheet</b>	<b>11</b>
<b>Company Balance Sheet</b>	<b>12</b>
<b>Consolidated Cash Flow Statement</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14</b>

## **Really Useful Group Investments Limited**

### **Company Information**

<b>Directors</b>	The Lord Lloyd Webber The Lady Lloyd Webber I K Chester M G Wordsworth B W Wragg
<b>Company secretary</b>	P H Chhaya
<b>Registered office</b>	17 Slingsby Place London WC2E 9AB
<b>Bankers</b>	Svenska Handelsbanken AB 2nd Floor 1 Kingsway London WC2B 6AN
<b>Auditor</b>	Deloitte LLP Chartered Accountants and Statutory Auditor London

## **Really Useful Group Investments Limited**

### **Strategic Report for the Year Ended 30 June 2015**

The directors, in preparing this Strategic Report, have complied with S414C of the Companies Act 2006.

#### **Principal activity**

The company and group are wholly-owned by The Lord Lloyd Webber.

The company's principal activity is that of a holding company. The group's principal activities include the development and exploitation of the copyrights and other rights which it owns in musical and dramatic works. It markets these rights internationally through productions, recordings, music publishing, merchandising, television, video and films.

The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next financial period.

#### **Review of the business**

The profit for the year amounted to £4,068,000 (2014: loss of £1,352,000).

Income is primarily generated through royalties and profit share from investment in theatrical productions, stock and amateur licencing, music publishing, films and records.

#### **Key performance indicators**

As shown in the consolidated profit and loss account set out on page 9, group turnover has increased 6.8% on the prior period, mainly due to strong performance in theatre productions.

Group gross profit has increased 90.8% mainly due to strong income from theatre productions.

#### **Principal risks and uncertainties**

The group holds various copyrights and other rights to musical and dramatic works. There is a risk that the popularity of these copyrights and other rights may diminish over time and that the group may not be able to exploit them in the same manner as previous years. This risk is considered when the group is planning the performance timings of various productions and the locations around the world in which the productions will play. The group's experience of staging productions is used to ensure that rights are exploited across territories in the best way so as to introduce new audiences to productions and to ensure longevity of the rights held.

As well as this, the group is active in acquiring new rights to various productions which it can exploit in the future.

In addition to the above the group's activities expose it to a number of financial risks including cash flow risk and foreign exchange risk which is detailed below.

**Really Useful Group Investments Limited**  
**Strategic Report for the Year Ended 30 June 2015 (continued)**

**Financial risk management objectives and policies**

The group's activities expose it to a number of financial risks including cash flow risk and liquidity risk. The principal risks and uncertainties that the group faces are discussed within the Strategic Report.

***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the main group operating company, The Really Useful Group Limited, has in place an overdraft facility in order to meet day-to-day working capital requirements.

***Cash flow risk***

The group operates in a number of countries around the world and is therefore exposed to movements in currency exchange rates. The directors consider that the level of trading in overseas currencies does not warrant taking out hedges to manage any fluctuations in exchange rates. However, the group's treasury function manages the risk by disposing of foreign currency balances on a regular basis.

**Business environment**


The group recognises the importance of its environmental responsibilities and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies and initiatives designed to minimise the company's impact on the environment. These policies include recycling and reduction of energy consumption.

**Future developments**

The directors expect the general level of activity to remain consistent with 2015 in the forthcoming year.

There are no significant events since the balance sheet date.

Approved by the Board on .....<sup>24</sup> March 2016 and signed on its behalf by:

  
.....  
M G Wordsworth  
Director

## **Really Useful Group Investments Limited Directors' Report for the Year Ended 30 June 2015**

The directors present their Annual Report on the affairs of Really Useful Group Investments Limited and its subsidiaries, together with the audited group financial statements and auditor's report for the year ended 30 June 2015. Comparative information is provided for the year ended 30 June 2014.

FRS 6 merger accounting rules have been applied as the basis of consolidation as the directors believe this allows a true and fair view of the group.

### **Dividends**

The directors do not recommend the payment of a dividend (2014: £nil).

### **Directors**

The directors who served throughout the year and at the date of this report, were as follows:

The Lord Lloyd Webber

The Lady Lloyd Webber

I K Chester

J P C Hull (resigned 30 September 2015)

M G Wordsworth

B W Wragg

### **Going concern**

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found within the principal accounting policies in the notes to the financial statements.

### **Employee involvement**

Details of the number of employees and related costs can be found in note 7 to the financial statements.

The group aims to secure good relations between management and all employees, to promote a better understanding of the issues influencing the group's business, to improve productivity, to enhance the quality of working life and to gain the commitment of all concerned with the group's business objectives. Disabled persons are considered for employment, training, career development and promotion on the basis of their aptitudes and abilities, in common with all employees of the group.

The company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular newsletters and circulars. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

### **Future developments, financial risk management and post balance sheet events**

Details of future developments, financial risk management objectives and policies and events which have occurred since the balance sheet date can be found in the Strategic Report and form part of this report by cross reference.

**Really Useful Group Investments Limited**  
**Directors' Report for the Year Ended 30 June 2015 (continued)**

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board on 24 March 2016 and signed on its behalf by:

  
.....  
M G Wordsworth  
Director

## **Really Useful Group Investments Limited Directors' Responsibilities Statement**

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and of the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



## **Really Useful Group Investments Limited Independent Auditor's Report**

We have audited the financial statements of Really Useful Group Investments Limited for the year ended 30 June 2015, which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements and to identify any information that is apparently materially inconsistent based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially inconsistent based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and company's affairs as at 30 June 2015 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.

### **Opinion on other matters prescribed by the Companies Act 2006**


In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Really Useful Group Investments Limited  
Independent Auditor's Report (continued)**

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's 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.



James Bates (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

24 March 2016

**Really Useful Group Investments Limited**  
**Consolidated Profit and Loss Account for the year ended 30 June 2015**

	Note	2015 £ 000	2014 £ 000
<b>Turnover</b>			
Continued operations		51,578	47,357
Less: share of joint venture		<u>(11,634)</u>	<u>(9,961)</u>
Group turnover	2	39,944	37,396
Cost of sales		<u>(26,908)</u>	<u>(30,562)</u>
<b>Gross profit</b>		13,036	6,834
Administrative expenses including exceptional items	3	<u>(8,778)</u>	<u>(7,551)</u>
<b>Group operating profit/(loss)</b>	4	4,258	(717)
Share of joint venture operating profit		<u>1,361</u>	<u>720</u>
<b>Total operating profit</b>		5,619	3
Exceptional items	8	-	(1,508)
Gain on disposal of tangible fixed assets		-	1
Interest receivable and similar income			
Group	9	49	74
Joint venture		-	-
Interest payable and similar charges			
Group	10	(10)	(21)
Joint venture		<u>-</u>	<u>-</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		5,658	(1,451)
Tax (charge)/credit on profit/(loss) on ordinary activities	11	<u>(1,590)</u>	<u>99</u>
<b>Profit/(loss) for the financial year</b>	21	<u><u>4,068</u></u>	<u><u>(1,352)</u></u>

All activities arise from continuing operations.

The accompanying notes form an integral part of this profit and loss account.

**Really Useful Group Investments Limited**  
**Consolidated Statement of Total Recognised Gains and Losses**

	2015 £ 000	2014 £ 000
Profit/(loss) for the financial year	4,068	(1,352)
Foreign currency translation differences on foreign currency net investments in subsidiaries	27	1,498
<b>Total recognised gains relating to the year</b>	<b>4,095</b>	<b>146</b>

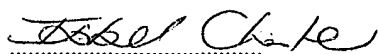
**Really Useful Group Investments Limited**  
**Consolidated Balance Sheet as at 30 June 2015**

	Note	2015 £ 000	2014 £ 000
<b>Fixed assets</b>			
Intangible fixed assets	12	551	967
Tangible fixed assets	13	1,110	1,893
Investment in joint venture			
Share of gross assets	14	2,260	1,341
Share of gross liabilities	14	(460)	(597)
		<u>3,461</u>	<u>3,604</u>
<b>Current assets</b>			
Stocks	15	824	850
Debtors: amount falling due within one year	16	6,534	8,262
Cash at bank and in hand		<u>11,670</u>	<u>7,801</u>
		19,028	16,913
<b>Creditors: amounts falling due within one year</b>	17	<u>(18,187)</u>	<u>(20,310)</u>
<b>Net current assets/(liabilities)</b>		<u>841</u>	<u>(3,397)</u>
<b>Net assets</b>		<u>4,302</u>	<u>207</u>
<b>Capital and reserves</b>			
Called-up share capital	20	-	-
Profit and loss account	21	<u>4,302</u>	<u>207</u>
<b>Shareholder's funds</b>	22	<u>4,302</u>	<u>207</u>

The accompanying notes form an integral part of this balance sheet.

The financial statements of Really Useful Group Investments Limited (registration number: 08159409) were approved by the Board of Directors and authorised for issue on 24 March 2016.

They were signed on its behalf by:



I K Chester  
Director

**Really Useful Group Investments Limited**  
**Company Balance Sheet as at 30 June 2015**

	Note	2015 £ 000	2014 £ 000
<b>Fixed assets</b>			
Investments	14	<u>444</u>	<u>444</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>444</u>	<u>444</u>
<b>Capital and reserves</b>			
Called-up share capital	20	-	-
Share premium account	21	444	444
Profit and loss account	21	<u>-</u>	<u>-</u>
<b>Shareholder's funds</b>	22	<u>444</u>	<u>444</u>

The accompanying notes form an integral part of this balance sheet.

The financial statements of Really Useful Group Investments Limited (registration number: 08159409) were approved by the Board of Directors and authorised for issue on 24 March 2016.

They were signed on its behalf by:



I K Chester  
 Director

**Really Useful Group Investments Limited**  
**Consolidated Cash Flow Statement for the year ended 30 June 2015**

	Notes	2015 £ 000	2014 £ 000
Net cash inflow/(outflow) from operating activities	23	5,125	(3,754)
Net cash inflow for returns on investments and servicing of finance	24	39	115
Corporation tax paid		(1,367)	(38)
Net cash inflow/(outflow) for capital expenditure and financial investment	24	<u>72</u>	<u>(1,309)</u>
Net cash inflow/(outflow) before financing		3,869	(4,986)
Financing		<u>-</u>	<u>-</u>
Increase/(decrease) in cash in the year	25	<u>3,869</u>	<u>(4,986)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash		<u>3,869</u>	<u>(4,986)</u>
Change in net funds resulting from cash flows		3,869	(4,986)
Net funds at 1 July		<u>7,801</u>	<u>12,787</u>
Net funds at 30 June		<u>11,670</u>	<u>7,801</u>

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2015**

**1 Principal accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiaries to 30 June each year together with its share of results of any joint ventures. In accordance with FRS 9 *Associates and joint ventures*, where joint control of a production exists, gross equity accounting has been applied and where the group has significant influence, net equity accounting has been applied. FRS 6 merger accounting rules have been applied as described on page 4 in the Directors' Report for the basis of the consolidation.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. The company does not trade and had no result for the year ended 30 June 2015.

**Going concern**

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2 and 3. The Directors' Report on pages 4 and 5 describes management's assessment of the company and group as a going concern.

The main operating company within the group has in place an overdraft facility in order to meet its day-to-day working capital requirements.

The group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the group should be able to operate within the terms and level of the current facility.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

**Turnover**

Turnover comprises the amounts receivable, exclusive of Value Added Tax, for goods and services and for royalties from theatre, video and film productions, records, publishing, stock and amateur licensing and merchandising. Certain royalty revenues from record, music publishing, stock and amateur and merchandising licences are recognised once they can be reliably determined, usually once a royalty statement has been received from a third party. This is consistent with industry practice. All other revenues are recognised on a right to consideration basis, in accordance with FRS 5 *Reporting the substance of transactions* and excludes sales between group companies.



**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**1 Principal accounting policies (continued)**

**Intangible fixed assets**

*Copyrights*

Expenditure incurred in relation to the establishment or acquisition of copyrights is recorded at cost. The group does not amortise copyrights held as intangible fixed assets. Non amortisation of intangible fixed assets represents a departure from the Companies Act 2006. The directors believe that this treatment ensures that the financial statements show a true and fair view. An impairment will be recognised to the extent that the net present value of the expected income generated by the asset is less than the book value. Management carry out an impairment review annually and any impairment would be disclosed through the profit and loss account in the year in which it was identified.

*Theatre and film productions*

These principally represent the group's contribution as an investor in various theatre and film productions worldwide where the group does not control the productions.

These intangibles give the right to profits of each production as funds become available. When the investment has been repaid in full, the right to participate in profits continues throughout the life of each production.

Investments in theatre productions and films are not amortised but stated at cost, less any provision for impairment and less any amounts recouped. In the opinion of the directors, adequate provision has been made.

**Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows.

<b>Asset class</b>	<b>Depreciation rate</b>
Short leasehold land and buildings	over unexpired term of lease
Plant and machinery	3-10 years
Motor vehicles	4 years
Theatre sets	3 years

The profit and loss on disposal of tangible fixed assets is calculated using the book value of the assets, with any revaluation surplus or deficit being transferred directly from the revaluation reserve to the profit and loss reserve.

**Impairment of fixed assets**

Intangible and tangible fixed assets are reviewed for impairment when changes in circumstances or events indicate that the carrying value of the fixed assets may not be recoverable. An impairment loss is recognised where the recoverable amount is less than the carrying value.

**Fixed asset investments**

Investments held as fixed assets are stated in the balance sheet at cost or market value. Where the market value of the investment is less than the cost and this is considered to represent an impairment in value, full provision for the unrealised loss is charged against the profit and loss account.

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**1 Principal accounting policies (continued)**

**Stocks and work-in-progress**

Stocks of finished goods and project work-in-progress are stated at the lower of cost and net realisable value.

Project work-in-progress is fully provided at the point where the project cannot be foreseen to commercial completion or where any loss is anticipated.

**Advances**

Royalty advances received are treated as deferred income and taken to revenue as the royalties are earned. In the case of non-returnable advances, any remaining balance when no further earnings are expected is taken to revenue.

**Interest**

Interest receivable represents bank interest received on surplus trading cash balances and bank interest received on sale and leaseback cash deposits held.

Interest payable represents the interest payable during the year on bank loans, swap interest paid and accrued, on swap break costs paid, on overdrafts and sale and leaseback arrangements.

**Current taxation**

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

**Deferred taxation**

Deferred tax is accounted for in accordance with FRS 19 *Deferred Tax*. Deferred tax is provided for in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Co-productions**

The group is involved in a number of co-production arrangements with third parties. Where the group's consent is required to affect control over significant decisions these arrangements have been accounted for as joint ventures.

The income and operating profit earned as a result of the co-production arrangement has been presented on the face of the profit and loss account as a share of joint venture. If the investment in the co-production is unrecovered at the year end, the group's share of profits is offset against the investment, with no operating profit recognised in the profit and loss account.

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**1 Principal accounting policies (continued)**

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All translation differences are dealt with in the profit and loss account.

The results of overseas operations are translated at the closing rates of exchange during the year and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets, to the extent that they hedge the group's investment in such operations, are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

**Pensions**

Retirement benefits to employees in the group are provided by group defined contribution and personal pension schemes. The schemes are funded by contribution from group companies and employees. The group's contributions are charged against the profits of the year in which they become payable.

**Hire purchase and leasing**

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the profit and loss account.

Operating lease rentals are charged to profit and loss account in equal annual amounts over the lease term.

**Financial instruments**

The group does not issue or hold derivative financial instruments for speculative purposes.

**2 Turnover**

An analysis of the group's turnover by class of business is given below:

	<b>Merchandising</b>	<b>Theatre productions</b>	<b>Stock and amateur and music publishing</b>	<b>Film production</b>	<b>Total</b>
<b>2015</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Turnover	<u>942</u>	<u>31,282</u>	<u>7,089</u>	<u>631</u>	<u>39,944</u>
	<b>Merchandising</b>	<b>Theatre productions</b>	<b>Stock and amateur and music publishing</b>	<b>Film production</b>	<b>Total</b>
<b>2014</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Turnover	<u>989</u>	<u>27,844</u>	<u>7,544</u>	<u>1,019</u>	<u>37,396</u>

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**2 Turnover (continued)**

An analysis of the group's turnover by geographical location by destination is given below:

	UK	Europe	Americas	Japan	Australia and South East Asia	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
<b>2015</b>						
Turnover	<u>5,240</u>	<u>7,954</u>	<u>11,780</u>	<u>2,357</u>	<u>12,613</u>	<u>39,944</u>
	UK	Europe	Americas	Japan	Australia and South East Asia	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
<b>2014</b>						
Turnover	<u>4,507</u>	<u>7,427</u>	<u>9,066</u>	<u>6,009</u>	<u>10,387</u>	<u>37,396</u>

**3 Exceptional items within administration expenses**

	<b>2015</b>	<b>2014</b>
	£ 000	£ 000
Release of unused onerous lease provision	-	(1,113)
Release of unused portion of group simplification provision	<u>(51)</u>	<u>-</u>
	<u>(51)</u>	<u>(1,113)</u>

**4 Group operating profit/(loss)**

Operating profit/(loss) is stated after charging:

	<b>2015</b>	<b>2014</b>
	£ 000	£ 000
Depreciation of tangible fixed assets	807	797
Intangible asset amortisation	-	26
Intangible asset impairment	295	-
Operating lease rentals - other operating leases	560	1,574
Foreign exchange losses	<u>370</u>	<u>719</u>

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**5 Auditor's remuneration**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Fees payable to the company's auditor for the audit of the company's annual accounts	24	33
<b>Fees payable to the company's auditor and their associates for other services to the group</b>		
The audit of the company's subsidiaries	67	80
<b>Total audit fees</b>	<b>91</b>	<b>113</b>
Tax compliance services	32	47
Statutory accounts preparation	25	-
Taxation advisory services	70	115
Tax statutory disclosure preparation	18	18
Audit-related assurance services	2	11
<b>Total non-audit fees</b>	<b>147</b>	<b>191</b>

**6 Directors' emoluments**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Emoluments	1,434	1,079
Sums paid to third parties in respect of directors' services	-	100
Company contributions to money purchase pension scheme	74	84
	<b>1,508</b>	<b>1,263</b>

The number of directors who are:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
Members of money purchase pension schemes	3	3
Members who are members of a long term incentive plan	1	1

The terms of the long term incentive plan are not yet finalised at the date of signing these accounts. The payments of this plan are subject to completion of five years' continuous service.

The amounts in respect of the highest paid director are as follows:

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Emoluments	656	393
Company contributions paid to money purchase pension scheme	37	38

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**7 Staff costs**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	4,023	3,488
Social security costs	341	399
Other pension costs	197	116
	<u>4,561</u>	<u>4,003</u>

The group operates a defined contribution pension scheme. The contributions outstanding at 30 June 2015 were £10,487 (2014: £8,407).

The average monthly number of persons employed by the group (including directors) during the year was made up as follows:

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
Theatre productions	7	8
Office and management	34	33
	<u>41</u>	<u>41</u>

There were no employees of the company in either year.

**8 Exceptional items**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Revaluation of intercompany payable	-	1,508

During the prior year the group had settled a foreign currency denominated intra group payable which resulted in a revaluation of the original amount payable.

**9 Interest receivable and similar income**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Bank interest	49	74

**10 Interest payable and similar charges**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Bank interest	-	20
Other interest	10	1
	<u>10</u>	<u>21</u>

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**11 Taxation**

**Tax on profit/(loss) on ordinary activities**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current tax</b>		
Corporation tax charge	704	17
Overseas tax - prior year adjustment	9	(22)
Overseas tax - current year	803	361
Double tax relief	(146)	(17)
<b>Total current tax charge</b>	<u>1,370</u>	<u>339</u>
<b>Deferred tax</b>		
Deferred tax adjustment relating to previous years	73	(213)
Effect of changes in tax rates	(4)	42
Deferred taxation charge/(credit)	151	(267)
<b>Total deferred tax charge/(credit)</b>	<u>220</u>	<u>(438)</u>
<b>Total tax charge/(credit) on profit/(loss) on ordinary activities</b>	<u>1,590</u>	<u>(99)</u>

The UK corporation tax rate is based on a blended rate of the UK statutory rates of corporation tax during the year to 30 June 2015 of 20.75% (2014: 22.5%) and reflects the reduction in the UK corporation tax rate from 21% to 20% from 1 April 2015.

**Factors affecting current tax charge for the year**

The tax on profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK (2014: higher than the standard rate of corporation tax in the UK) of 20.75% (2014: 22.5%).

The differences are reconciled below:

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit/(loss) on ordinary activities before tax	<u>5,658</u>	<u>(1,451)</u>
Corporation tax at standard rate of 20.75% (2014: 22.5%)	1,174	(326)
Capital allowances in excess of depreciation	(28)	176
Short term timing differences	(5)	1
Non-taxable income	(20)	-
Expenses not deductible for tax purposes	42	93
Adjustment for higher (lower) tax rates on overseas earnings	-	95
Adjustment for prior periods	9	(23)
Unrelieved tax losses carried forward	-	237
Utilisation of tax losses	(130)	(20)
Other differences	<u>328</u>	<u>105</u>
<b>Total current tax charge</b>	<u>1,370</u>	<u>338</u>

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**12 Intangible fixed assets**

**Group**

	<b>Theatre and film productions £ 000</b>	<b>Copyrights £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>			
At 1 July 2014	146	1,182	1,328
Repayments	(96)	-	(96)
Amounts written off	(25)	-	(25)
At 30 June 2015	<u>25</u>	<u>1,182</u>	<u>1,207</u>
<b>Amortisation</b>			
At 1 July 2014	-	361	361
Impairment	-	295	295
At 30 June 2015	<u>-</u>	<u>656</u>	<u>656</u>
<b>Net book value</b>			
At 30 June 2015	<u>25</u>	<u>526</u>	<u>551</u>
At 30 June 2014	<u>146</u>	<u>821</u>	<u>967</u>



**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**13 Tangible fixed assets**

<b>Group</b>	<b>Short leasehold land and buildings £ 000</b>	<b>Plant and machinery £ 000</b>	<b>Theatre sets £ 000</b>	<b>Total £ 000</b>
<b>Cost or valuation</b>				
At 1 July 2014	636	718	5,185	6,539
Additions	-	3	25	28
Disposals	-	(4)	-	(4)
At 30 June 2015	<u>636</u>	<u>717</u>	<u>5,210</u>	<u>6,563</u>
<b>Depreciation</b>				
At 1 July 2014	90	422	4,134	4,646
Charge for the year	<u>75</u>	<u>165</u>	<u>567</u>	<u>807</u>
At 30 June 2015	<u>165</u>	<u>587</u>	<u>4,701</u>	<u>5,453</u>
<b>Net book value</b>				
At 30 June 2015	<u>471</u>	<u>130</u>	<u>509</u>	<u>1,110</u>
At 30 June 2014	<u>546</u>	<u>296</u>	<u>1,051</u>	<u>1,893</u>

**14 Investments in joint ventures and subsidiaries**

<b>Group</b>	
<b>Investment in joint ventures</b>	<b>£ 000</b>
<b>Share of net assets</b>	
At 1 July 2014	744
Investment in joint venture	<u>1,056</u>
At 30 June 2015	<u>1,800</u>
<b>Company</b>	
<b>Investment in subsidiaries</b>	<b>£ 000</b>
<b>Net book value:</b>	
At 1 July 2014 and 30 June 2015	<u>444</u>

A list of all subsidiaries as at 30 June 2015 is given in note 29.

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**15 Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Project work-in-progress	<u>824</u>	<u>850</u>	<u>-</u>	<u>-</u>

There is no material difference between cost and replacement value.

**16 Debtors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Trade debtors	2,770	3,256	-	-
VAT	268	318	-	-
Deferred tax asset (note 19)	980	1,200	-	-
Foreign tax	-	3	-	-
Prepayments and accrued income	2,470	3,485	-	-
Other debtors	<u>46</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,534</u>	<u>8,262</u>	<u>-</u>	<u>-</u>

**17 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Trade creditors	4,535	5,460	-	-
Corporation tax	699	57	-	-
Other taxation and social security	92	2	-	-
Other creditors	99	101	-	-
Accruals and deferred income	<u>12,762</u>	<u>14,690</u>	<u>-</u>	<u>-</u>
	<u>18,187</u>	<u>20,310</u>	<u>-</u>	<u>-</u>

There are no creditor amounts falling due within one year for the company.

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**18 Operating lease commitments**

At 30 June 2015, the group was committed to making the following payments during the next year in respect of operating leases:

**Operating leases which expire:**

	2015 £ 000	2014 £ 000
<b>Land and buildings</b>		
Within one year	23	-
Within two to five years	76	-
Over five years	468	534
	<u>567</u>	<u>534</u>

The group has signed a property lease for a period of ten years, starting in November 2012.

**19 Deferred tax asset**

A deferred tax asset has been recognised in debtors as it is regarded as more likely than not that the asset will be recovered.

	<b>Group deferred tax asset £ 000</b>
At 1 July 2014	1,200
Charged to the profit and loss account	(147)
Adjustments in respect of prior years	(73)
At 30 June 2015	<u>980</u>

The directors are of the opinion that based on recent and forecast trading, it is more likely than not that the level of profits in future years will be sufficient to enable the deferred tax asset to be recovered. An analysis of the deferred tax balance is shown below.

Deferred tax is recognised at a rate of 20% (2014: 20%) being the headline rate of corporation tax substantially enacted at the balance sheet date.

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**19 Deferred tax asset (continued)**

**Analysis of deferred tax asset**

<b>Group</b>	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Difference between accumulated depreciation and amortisation and capital allowances	819	832
Short term timing differences	34	43
Tax losses available	127	325
	<u>980</u>	<u>1,200</u>

Deferred tax assets as detailed below have not been recognised, as the directors of the companies in which they arise do not anticipate that these assets will crystallise within the foreseeable future. The estimated values of the assets not recognised, measured at the standard rate of 20% (2014: 20%), are:

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Losses	1,879	1,879
Overseas tax losses	478	490
	<u>2,357</u>	<u>2,369</u>

**20 Called-up share capital**

**Allotted, called-up and fully paid shares**

	<b>No.</b>	<b>2015</b>	<b>No.</b>	<b>2014</b>
		<b>£</b>		<b>£</b>
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**21 Profit and loss account and share premium account**

**Group**

	<b>Profit and loss account £ 000</b>
At 1 July 2014	207
Profit for the year	4,068
Foreign currency translation gain	27
At 30 June 2015	<u>4,302</u>

**Company**

	<b>Share premium account £ 000</b>
At 1 July 2014 and at 30 June 2015	<u>444</u>

**22 Reconciliation of movement in shareholder's funds**

**Group**

	<b>2015 £ 000</b>	<b>2014 £ 000</b>
Opening shareholder's funds	207	61
Profit/(loss) attributable to the members of the company	4,068	(1,352)
Exchange translation differences	27	1,498
Closing shareholder's funds	<u>4,302</u>	<u>207</u>

**Company**

	<b>2015 £ 000</b>	<b>2014 £ 000</b>
Opening shareholder's funds	444	444
Shareholder's funds at 30 June	<u>444</u>	<u>444</u>

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**23 Reconciliation of operating profit to operating cash flows**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
Group operating profit/(loss)	4,258	(719)
Depreciation	807	799
Impairment	295	-
Write-down of intangible fixed assets	25	-
Exchange adjustment	113	238
Profit of sale of tangible fixed assets	-	1
Decrease in stocks	26	588
Decrease in debtors	869	478
Decrease in creditors	(1,048)	(2,679)
Decrease in provisions	(220)	(2,460)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>5,125</b>	<b>(3,754)</b>

**24 Analysis of cash flows**

	<b>2015</b>	<b>2014</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Returns on investment and servicing of finance</b>		
Interest received	49	136
Interest paid	(10)	(21)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>39</b>	<b>115</b>
<b>Capital expenditure and financial investment</b>		
Purchase of investments in theatre productions	-	(1,129)
Purchases of tangible fixed assets	(28)	(671)
Sales of tangible fixed assets	4	1
Recoupment of investments in theatre productions	96	490
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>72</b>	<b>(1,309)</b>

**25 Analysis of net funds**

	<b>At 1 July 2014</b>	<b>Cash flow</b>	<b>At 30 June 2015</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Cash at bank and in hand	7,801	3,869	11,670
<b>Net funds</b>	<b>7,801</b>	<b>3,869</b>	<b>11,670</b>

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**26 Retirement benefit schemes**

**Defined contribution pension scheme**

The group operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the group in funds under the control of trustees. The group is required to contribute a specified percentage of payroll costs to these schemes to fund the benefits. The only obligation of the group with respect to these defined contribution schemes is to make the specified contributions.

The total cost charged to the profit and loss account of £197,000 (2014: £153,065) represents contributions payable to these schemes by the group at rates specified in the rules of the plans. The contributions outstanding at 30 June 2015 were £10,487 (2014: £8,407). The liability was settled in July of the subsequent year.

**27 Related party transactions**

	Income		Amount due from related party	
	2015	2014	2015	2014
	£ 000	£ 000	£ 000	£ 000
Theatre Productions (note a)	<u>31,214</u>	<u>20,895</u>	<u>1,812</u>	<u>2,355</u>

	Expenditure		Amount due to related party	
	2015	2014	2015	2014
	£ 000	£ 000	£ 000	£ 000
The Lord Lloyd Webber (note b)	<u>9,448</u>	<u>8,288</u>	<u>1,421</u>	<u>1,263</u>

	Expenditure		Unrecouped balance	
	2015	2014	2015	2014
	£ 000	£ 000	£ 000	£ 000
Royalty advances (note c)	<u>-</u>	<u>-</u>	<u>1,181</u>	<u>1,705</u>

	Expenditure		Amount due to related party	
	2015	2014	2015	2014
	£ 000	£ 000	£ 000	£ 000
Payments to third parties (note d)	<u>1,743</u>	<u>1,690</u>	<u>1,079</u>	<u>1,135</u>

**a) Theatre Productions**

Theatre Productions represent the shows licensed by the group and performed at various venues around the world, over which The Lord Lloyd Webber retains certain creative rights. The turnover arising from the productions is accounted for as set out in note 1. The transactions represent royalties receivable from the exploitation of the following copyrights and other rights and hence have been shown on an aggregated basis:

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**27 Related party transactions (continued)**

Aspects of Love	Starlight Express
Bombay Dreams	Stephen Ward
By Jeeves	Sunset Boulevard
Cats	The Boys in the Photograph
Evita	The Phantom of the Opera
Jesus Christ Superstar	The Sound of Music
Joseph and The Amazing Technicolor Dreamcoat	The Wizard of Oz
Love Never Dies	The Woman in White
School of Rock	Whistle Down the Wind

Expenditure represents investments in certain productions.

*b) The Lord Lloyd Webber*

The Lord Lloyd Webber is a controlling shareholder of the company and the group. The transactions relate to royalties payable to him.

The directors consider these transactions have been entered into at arm's length on normal commercial terms.

*c) Royalty advances*

In a prior year, The Lord Lloyd Webber was paid royalty advances amounting to £11,494,000. The advances are non-refundable but recoupable against music publishing and record royalties due to him in the future. Royalties of £524,000 (2014: £583,000) were recouped against these advances during the year and are included in the royalties payable figure disclosed above, leaving an unrecouped balance at year end of £1,181,000 (2014: £1,705,000).

The directors consider these transactions have been entered into at arm's length on normal commercial terms.

*d) Payments to third parties*

During the year, royalties of £1,743,000 (2014: £1,690,000) were payable to Two Knights Rights Limited, a company of which The Lord Lloyd Webber is a director and shareholder.

The directors consider these transactions have been entered into at arm's length on normal commercial terms.

At the balance sheet date, debtors includes £155,000 (2014: £nil) owed by Really Useful Theatres Group Limited, a related party.

During the year, rent and outgoings on a property lease, totalling £97,000 (2014: £74,000) were paid to Madeleine Lloyd Webber, a director of the company.

The company has taken advantage of exemptions from disclosure granted by FRS 8 *Related Party Disclosures* not to disclose transactions with other group companies. The exemptions taken relate to the disclosure of intra-company transactions only.



**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**28 Immediate and ultimate controlling party**

The immediate and ultimate controlling party is The Lord Lloyd Webber who owns 100% of the ordinary share capital of the company.

**29 Additional information on investments**

The company's investments at the year-end are shown below. All holdings are of ordinary shares.

<b>Subsidiary undertaking</b>	<b>Country of incorporation</b>	<b>Proportion of voting rights and shares held</b>	<b>Principal activity</b>
<b>Directly owned by the company</b>			
The Really Useful Group Holdings Limited	United Kingdom	100%	Holding company
<b>Not directly owned by the company</b>			
<b>Subsidiary</b>	<b>Country of incorporation</b>	<b>Proportion of voting rights and shares held</b>	<b>Principal activity</b>
Really Useful Holdings Limited	United Kingdom	100%	Holding company
The Really Useful Group Limited	United Kingdom	100%	Develop and exploit the rights of musical and dramatical works
The Really Useful Theatre Company Limited	United Kingdom	100%	Theatre producer
The Musical Company Limited	United Kingdom	100%	Dormant
The Really Useful Company Limited	United Kingdom	100%	Dormant
Really Useful Films Limited	United Kingdom	100%	Film production
The Really Useful Record Company Limited	United Kingdom	100%	Dormant
The Really Useful Film Co. Limited	United Kingdom	100%	Dormant

**Really Useful Group Investments Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 30 June 2015**

**29 Additional information on investments (continued)**

<b>Subsidiary undertaking</b>	<b>Country of incorporation</b>	<b>Proportion of voting rights and shares held</b>	<b>Principal activity</b>
Jacob & Sons Limited	United Kingdom	100%	Film production
Golgotha Limited	United Kingdom	100%	Dormant
U-Cast Limited	United Kingdom	100%	Dormant
Company on Stage Limited	United Kingdom	100%	Theatre producer
The Opera Ghost Limited	United Kingdom	100%	Film production
Oz Dorothy Limited	United Kingdom	100%	Dormant
JCS Touring Limited	United Kingdom	100%	Theatre producer
The Really Useful Broadway Limited	United Kingdom	100%	Dormant
The Really Useful Company Inc	USA	100%	Theatre producer
The Really Useful Theatre Company Inc	USA	100%	Theatre producer
The Really Useful North Company Inc	USA	100%	Dormant
JCS Touring Inc	USA	100%	Dormant
The Really Useful Broadway Inc	USA	100%	Dormant
The Really Useful Company Asia Pacific Pty Limited	Australia	100%	Theatre producer
Love Never Dies Pty Limited	Australia	100%	Dormant
The Really Useful Company (Asia) Limited	Hong Kong	100%	Dormant
The Really Useful Company AG	Switzerland	100%	Dormant

The following companies are exempt from the requirements relating to the audit of individual accounts for the year ended 30 June 2015 by virtue of Section 479C of the Companies Act 2006: Jacob & Sons Limited (3672918), Really Useful Films Limited (1929720) and The Opera Ghost (4139726).