

Really Useful Group Investments Limited

Annual Report and Financial Statements

For the year ended 30 June 2022

Company Registration No. 08159409 (England and Wales)

Really Useful Group Investments Limited

Company Information

Directors	Lord Lloyd Webber	
	Lady Lloyd Webber	
	D C Chance	
	S Duffy	(Appointed 27 June 2022)
	A A Lloyd Webber	
	W Lloyd Webber	
	I Lloyd Webber	
	J L Koravos	
	J C Quillan	
	C Farmer	(Appointed 31 March 2022)
	M Lowes	(Appointed 31 March 2022)
Secretary	J C Quillan	
Company number	08159409	
Registered office	6 Catherine Street London WC2B 5JY	
Auditor	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL	
Bankers	Svenska Handelsbanken AB 2nd Floor 1 Kingsway London WC2B 6AN	

Really Useful Group Investments Limited

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Really Useful Group Investments Limited

Strategic Report

For the year ended 30 June 2022

The directors present the strategic report and financial statements for the year ended 30 June 2022.

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 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.

Review of the business

The loss for the year, including exceptional costs after taxation, amounted to £2,921,713 (2021: Loss of £2,100,041).

The consolidated balance sheet shows net assets of £14,644,887 (2021: £16,840,749).

During 2021 and 2022, the Coronavirus (COVID-19) pandemic continued to impact all the countries where RUG licenses and produces its shows. The emergence of the Omicron variant in late 2021 resulted in the suspension of performances of the company's new production of Andrew Lloyd Webber's Cinderella in December 2021 and January 2022 which, combined with a previous COVID-19 closure in the summer of 2021, the higher costs of marketing after repeated periods of closure, and lower levels of international tourist business, resulted in a cumulative financial loss position for the show and ultimately to the decision to permanently close the production in London in June 2022. The group's financial results are also impacted by a co-production of Phantom of the Opera on Broadway which reopened in October 2021 and which was impacted by significantly higher costs, including COVID-19 safety measures, resulting in the show being unable to run profitably. After 35 years at the Majestic Theatre on Broadway the show will close in April 2023. Since the closure announcement was made in September 2021 the show has been achieving an exceptional box office in its final 6 months of performances.

The group has benefited from the weaker sterling pound during the period, mainly due to income earned in the USA from touring licensed productions of Jesus Christ Superstar and CATS and other licences.

The progress that has been made around the world in rolling out COVID-19 vaccines, followed by the ending of social distancing measures and international travel restrictions for the general population in most territories, has resulted in an improved trading performance during 2022. After a challenging 2 years the directors look forward to a more normalised level of trading, and to the continued success of the new co-production of The Phantom of the Opera at Her Majesty's Theatre in London which reopened successfully in July 2021.

Key performance indicators

As shown in the consolidated profit and loss account set out on page 9 group turnover has increased by 194% (2021: decreased by 73%) on the prior period, reflecting the impact of theatres reopening across the world after the removal of social distancing restrictions, and including the group's own production of Andrew Lloyd Webber's Cinderella.

Really Useful Group Investments Limited

Strategic Report (Continued)

For the year ended 30 June 2022

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.

The Really Useful Group Limited took out a bank loan in the financial year ended 30 June 2018 to enable the purchase of an office building. The company and wider group has managed exposure to interest rate fluctuations via an interest rate cap linked to the loan.

Financial risk management objectives and policies

The group's activities expose it to a number of financial risks including credit risk, currency risk and liquidity risk. The principal risks and uncertainties that the group faces are discussed below.

Currency 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.

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.

The Really Useful Group Investments Limited group took out a bank loan in the financial year ended 30 June 2018 to enable the purchase of a new office building. The group has managed exposure to interest rate fluctuations via an interest rate cap linked to the loan. During the period the loan facility was renegotiated to defer capital repayments until March 2023. The group is in discussion with its bankers to refinance the balance of the loan, which is currently repayable in August 2023, for a further 3 years. The bank has provided informal confirmation of its agreement of the group's proposal, although this remains subject to the formal legal paperwork. On the basis of this confirmation, the management team have prepared a detailed cashflow forecasts and are confident that the group has sufficient resources to remain financially viable for a period of at least 12 months from the date of signing of these financial statements. The directors therefore continue to adopt the going concern basis in preparing its financial statements.

Future developments

The directors are optimistic that the trading results of the company will improve as the remaining COVID-19 related restrictions on audiences and international travel are withdrawn, and general levels of business activity increase.

On behalf of the board

D C Chance

Director

15 February 2023

Really Useful Group Investments Limited

Directors' Report

For the year ended 30 June 2022

The directors present their annual report and financial statements for the year ended 30 June 2022.

Principal activities

Details of the principal activities, review of the business, principal risks and uncertainties, financial risk management objectives and policies and future developments can be found in the strategic report on pages 1 to 2 and form part of this report by cross-reference.

Results and dividends

The results for the year are set out on pages 9 to 10.

No ordinary dividends were paid (2021: £-). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Lord Lloyd Webber

Lady Lloyd Webber

D C Chance

S Duffy (Appointed 27 June 2022)

A A Lloyd Webber

W Lloyd Webber

I Lloyd Webber

J L Koravos

J C Quillan

M G Wordsworth (Resigned 31 March 2022)

C Farmer (Appointed 31 March 2022)

M Lowes (Appointed 31 March 2022)

Auditor

In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

D C Chance

Director

15 February 2023

Really Useful Group Investments Limited

Directors' Responsibilities Statement

For the year ended 30 June 2022

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 company, 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company 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 company 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

To the Members of Really Useful Group Investments Limited

Opinion

We have audited the financial statements of Really Useful Group Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2022 and of the group's 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 group's and parent 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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

Really Useful Group Investments Limited

Independent Auditor's Report (Continued)

To the Members of Really Useful Group Investments Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report

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

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Really Useful Group Investments Limited

Independent Auditor's Report (Continued)

To the Members of Really Useful Group Investments Limited

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Really Useful Group Investments Limited

Independent Auditor's Report (Continued)

To the Members of Really Useful Group Investments Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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.

Mark Twum-Ampofo (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

15 February 2023

Chartered Accountants
Statutory Auditor

Charlotte Building
17 Gresse Street
London
W1T 1QL

Really Useful Group Investments Limited

Group Statement of Comprehensive Income For the year ended 30 June 2022

		Continuing operations	Discontinued operations	30 June 2022	Continuing operations	Discontinued operations	30 June 2021
	Notes	£	£	£	£	£	£
Turnover	3	25,269,479	12,573,767	37,843,246	12,862,282	-	12,862,282
Cost of sales		(16,212,102)	(9,644,515)	(25,856,617)	(9,734,626)	-	(9,734,626)
Gross profit		9,057,377	2,929,252	11,986,629	3,127,656	-	3,127,656
Administrative expenses		(8,602,388)	(4,172,812)	(12,775,200)	(7,841,389)	(748,922)	(8,590,311)
Other operating income		20,024	43,197	63,221	136,776	-	136,776
Exceptional item	4	(1,265,762)	(1,390,373)	(2,656,135)	-	-	-
Operating loss	5	(790,749)	(2,590,736)	(3,381,485)	(4,576,957)	(748,922)	(5,325,879)
Share of results of associates and joint ventures		(317,277)	-	(317,277)	3,559,321	-	3,559,321
Interest receivable and similar income	9	24,351	-	24,351	198	-	198
Interest payable and similar expenses	10	(336,761)	(24,126)	(360,887)	(302,166)	-	(302,166)
Fair value gain on financial instruments	11	147,171	-	147,171	(106,274)	-	(106,274)
Loss before taxation		(1,273,265)	(2,614,862)	(3,888,127)	(1,425,878)	(748,922)	(2,174,800)
Tax on loss	12	710,316	256,098	966,414	(822,601)	897,360	74,759
Loss for the financial year		(562,949)	(2,358,764)	(2,921,713)	(2,248,479)	148,438	(2,100,041)
Other comprehensive income							
Currency translation differences				725,851			(910,433)
Total comprehensive income for the year				(2,195,862)			(3,010,474)

Really Useful Group Investments Limited

Group Statement of Comprehensive Income (Continued)

For the year ended 30 June 2022

Notes	Continuing operations		Discontinued operations		30 June 2022	Continuing operations		Discontinued operations		30 June 2021
	£	£	£	£	£	£	£	£	£	£

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

Really Useful Group Investments Limited

Group Balance Sheet

As at 30 June 2022

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	15	2,556,515	9,459,188
Tangible assets	16	20,094,397	20,751,962
Investments	17	5,157,471	4,929,282
		<u>27,808,383</u>	<u>35,140,432</u>
Current assets			
Stocks	18	117,460	4,654
Debtors	19	7,974,753	5,344,384
Cash at bank and in hand		10,600,044	7,740,369
		<u>18,692,257</u>	<u>13,089,407</u>
Creditors: amounts falling due within one year	20	<u>(20,981,951)</u>	<u>(21,539,090)</u>
Net current liabilities		<u>(2,289,694)</u>	<u>(8,449,683)</u>
Total assets less current liabilities		<u>25,518,689</u>	<u>26,690,749</u>
Creditors: amounts falling due after more than one year	22	<u>(10,873,802)</u>	<u>(9,850,000)</u>
Net assets		<u><u>14,644,887</u></u>	<u><u>16,840,749</u></u>
Capital and reserves			
Called up share capital	24	2	2
Profit and loss reserves		14,644,885	16,840,747
Total equity		<u><u>14,644,887</u></u>	<u><u>16,840,749</u></u>

The financial statements were approved by the board of directors and authorised for issue on 15 February 2023 and are signed on its behalf by:

J C Quillan
Director

Really Useful Group Investments Limited

Company Balance Sheet

As at 30 June 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	17		443,550		443,550
Current assets					
Debtors	19	1		2,000,001	
Creditors: amounts falling due within one year	20	-		(2,000,000)	
Net current assets			1		1
Net assets			443,551		443,551
Capital and reserves					
Called up share capital	24		2		2
Share premium account			443,549		443,549
Total equity			443,551		443,551

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's result for the year was £0 (2021 - £0 profit).

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 15 February 2023 and are signed on its behalf by:

J C Quillan
Director

Company Registration No. 08159409

Really Useful Group Investments Limited

Group Statement of Changes in Equity

For the year ended 30 June 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 July 2020	2	19,851,221	19,851,223
Year ended 30 June 2021:			
Loss for the year	-	(2,100,041)	(2,100,041)
Other comprehensive income:			
Currency translation differences	-	(910,433)	(910,433)
Total comprehensive income for the year	-	(3,010,474)	(3,010,474)
Balance at 30 June 2021	2	16,840,747	16,840,749
Year ended 30 June 2022:			
Loss for the year	-	(2,921,713)	(2,921,713)
Other comprehensive income:			
Currency translation differences	-	725,851	725,851
Total comprehensive income for the year	-	(2,195,862)	(2,195,862)
Balance at 30 June 2022	2	14,644,885	14,644,887

Really Useful Group Investments Limited

Company Statement of Changes in Equity

For the year ended 30 June 2022

	Share capital	Share premium account	Total
	£	£	£
Balance at 1 July 2020	2	443,549	443,551
Year ended 30 June 2021:			
Profit and total comprehensive income for the year	-	-	-
Balance at 30 June 2021	2	443,549	443,551
Year ended 30 June 2022:			
Profit and total comprehensive income for the year	-	-	-
Balance at 30 June 2022	2	443,549	443,551

Really Useful Group Investments Limited

Group Statement of Cash Flows

For the year ended 30 June 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	31		4,694,682		(6,265,492)
Interest paid			(336,694)		(302,166)
Income taxes refunded			2,043,177		1,057,875
Net cash inflow/(outflow) from operating activities			6,401,165		(5,509,783)
Investing activities					
Purchase of intangible assets		(377,102)		(4,987,035)	
Purchase of tangible fixed assets		(52,690)		(67,513)	
Proceeds on disposal of tangible fixed assets		-		16,189	
Distributions received from joint ventures		398,489		2,359,134	
Capital invested in productions		(1,128,250)		(3,243,621)	
Recoupment of investments in productions		216,621		3,140,942	
Interest received		24,351		198	
Net cash used in investing activities			(918,581)		(2,781,706)
Financing activities					
Proceeds from production investor capital		1,774,996		4,437,504	
Net cash generated from financing activities			1,774,996		4,437,504
Net increase/(decrease) in cash and cash equivalents			7,257,580		(3,853,985)
Cash and cash equivalents at beginning of year			2,998,007		7,189,944
Effect of foreign exchange rates			344,457		(337,952)
Cash and cash equivalents at end of year			10,600,044		2,998,007
Relating to:					
Cash at bank and in hand			10,600,044		7,740,369
Bank overdrafts included in creditors payable within one year			-		(4,742,362)

Really Useful Group Investments Limited

Notes to the Financial Statements

For the year ended 30 June 2022

1 Accounting policies

Company information

Really Useful Group Investments Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 6 Catherine Street, London, WC2B 5JY.

The group consists of Really Useful Group Investments Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated group financial statements consist of the financial statements of the parent company Really Useful Group Investments Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 June 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

1 Accounting policies

(Continued)

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.3 Going concern

The directors have prepared projections and cash flow forecasts for a period of 12 months from the date of approval of these financial statements, which indicate that the company will continue to trade profitably and generate cash from trading. The directors are committed to continue to grow the business for ongoing long-term success.

In preparing those forecasts the directors have assumed that bank loans of £9,850,000 which are currently due for repayment by August 2023 will be refinanced. The company has received informal confirmation that the existing lender has agreed to extend these loans for a further 3 years with the same covenant package and on the existing amortisation schedule.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.4 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 together with box office income in relation to own productions.

Certain royalty revenues from record, music publishing, stock and amateur and merchandising licences and film 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.

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 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 the result of the joint venture. The distributions received from co-productions during the year are shown as distributions from joint ventures. 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 2022

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Copyrights	10 years straight line
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Copyrights

Expenditure incurred in relation to the establishment or acquisition of copyrights is recorded at cost less amortisation. The copyrights are being amortised over 10 years.

Capitalised pre-production costs

The group capitalises pre-production development costs incurred subsequent to the green-lighting of a new production to the extent that the directors have a reasonable belief that the production will recoup. Costs capitalised exclude marketing and promotional expenditure incurred in relation to the production. All relevant development expenditure is capitalised within intangible assets as pre-production costs and the group does not distinguish between the cost of physical assets, such as the set, and the development of broader aspects of the show, as the distinction is not useful and the expenditure is considered as a whole.

The amortisation period commences from the date of opening of the production. The estimated life of the production is under continual re-assessment, with the impact of any changes to the estimated life on the amortisation period being accounted for prospectively.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Freehold buildings	15-50 years straight line
Fixtures and fittings	3 - 10 years straight line
Motor vehicles	4 years straight line
Theatre sets (third party productions)	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Investment in theatrical productions consist of non-recourse loans advanced to a production which are repayable out of the profit of the production. These investments are initially measured at fair value which is normally the transaction price. In general fair values subsequent to initial investment cannot be measured reliably so investments in theatrical productions are subsequently measured at cost less impairment.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks represent Work In Progress, being costs incurred on productions which have not yet been green lit. Work in Progress is stated at the lower of cost and recoverable amount.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

1 Accounting policies

(Continued)

Other financial assets

Other financial assets comprise loan investments into theatrical productions. Such loans are repaid from funds generated by the profitable running of the productions; are recoverable only to the extent of the net assets available to the production and in the event of early closure of the production before the loan is repaid The Group has no further claim against the production; and the timing of the repayments is at the reasonable discretion of the production. Subsequent to repayment The Group is entitled to a fixed share of the profit of the production.

There is no reliable measure for the fair value of such instruments which are therefore measured at amortised cost.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

1 Accounting policies

(Continued)

Other financial liabilities

Other financial liabilities comprise loans received from investors to finance Theatrical Productions. Consistent with industry norms these loans are repayable out of the initial profits of the production; are repayable to the extent of the net assets available to the production and in the event of closure of the production before the loan is repaid the lenders have no further claim against the production; and terms of repayments is at the reasonable discretion of The Group. Subsequent to repayment the lenders are entitled to a fixed share of the profits of the production. There is no reliable measure of fair value for such instruments which are therefore measured at amortised cost.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Derivatives

Derivatives, including interest rate caps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate derivatives.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

1 Accounting policies

(Continued)

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Co-productions assessment of control

The group is involved in a number of co-production arrangements. In determining the appropriate accounting treatment for these co-productions the directors have regard to the contractual arrangements governing control of the entity whether incorporated or unincorporated. Where control is shared the productions are accounted for as joint ventures. When considering the level of control the directors review the financial, operational and creative control the group exerts.

Revenue recognition

Certain royalties revenues from record, music publishing, stock and amateur and merchandising licenses along with profits from productions and investments are recognised once they can be reliably determined, usually once a royalty statement has been received from a third party. Management accrue royalty income to the extent that the value of the royalty statement can be reliably determined, either on receipt of the royalty statement or from accurate reporting.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2022 £	2021 £
Turnover analysed by class of business		
Theatre productions	33,970,590	9,487,551
Record and music publishing	1,752,173	2,104,253
Merchandising	1,346,496	392,882
Film production	773,987	877,596
	<u>37,843,246</u>	<u>12,862,282</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

3 Turnover and other revenue (Continued)

	2022 £	2021 £
Other income		
Recharged expenses	20,024	103,880
Grants received	-	32,896
Insurance income	43,197	-
	<u>63,221</u>	<u>136,776</u>

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	15,659,281	305,784
USA and Canada	9,137,382	2,845,777
Europe	5,354,592	2,092,480
Japan	3,954,010	2,762,801
Australia and Rest of the World	3,737,981	4,855,440
	<u>37,843,246</u>	<u>12,862,282</u>

4 Exceptional item

	2022 £	2021 £
Write back of non-recourse loan	(4,912,500)	-
Impairment of pre-production costs	7,568,635	-
	<u>2,656,135</u>	<u>-</u>

Loans to a subsidiary of the company totalling £4,912,500 were only repayable to the lender to the extent of the assets available to the company. The subsidiary has now ceased to trade and will be wound up in due course. Based on the contractual terms of the loans, the directors consider that no liability to make repayments exists at the year end and the outstanding balances have been written back to the profit and loss account.

In addition pre-production costs previously capitalised in respect of two productions which have now ceased have been impaired in full.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

5 Operating loss

	2022 £	2021 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	243,760	(140,890)
Government grants	-	(32,896)
Depreciation of owned tangible fixed assets	707,738	788,662
Loss on disposal of tangible fixed assets	2,518	13,575
Amortisation of intangible assets	60,207	1,353,909
Impairment of intangible assets	7,568,635	-
Operating lease charges	754,745	272,271
	<u> </u>	<u> </u>

6 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	29,900	20,850
Audit of the financial statements of the company's subsidiaries	98,700	87,100
	<u>128,600</u>	<u>107,950</u>
For other services		
Statutory accounts preparation	38,800	31,550
Taxation compliance services	49,700	47,000
Other services	105,250	33,173
	<u>193,750</u>	<u>111,723</u>

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Office and management	55	50	-	-
Theatre productions	87	40	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	142	90	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

7 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	8,339,331	5,483,310	-	-
Social security costs	597,665	442,304	-	-
Pension costs	357,708	230,561	-	-
	<u>9,294,704</u>	<u>6,156,175</u>	<u>-</u>	<u>-</u>

8 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	1,225,315	1,267,232
Company pension contributions to defined contribution schemes	38,865	19,059
	<u>1,264,180</u>	<u>1,286,291</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	<u>290,342</u>	<u>376,910</u>

The Directors are considered to be the Key Management Personnel for the purposes of the statutory disclosure requirements for both the current and the prior year.

9 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	<u>24,351</u>	<u>198</u>

10 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>360,887</u>	<u>302,166</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

11 Fair value gains and losses

	2022 £	2021 £
Fair value gains/(losses) on financial instruments		
Change in the value of financial liabilities held at fair value through profit or loss	147,171	(106,274)

12 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	-	(552,610)
Adjustments in respect of prior periods	-	43,976
Other tax reliefs	(329,119)	(824,339)
Total UK current tax	(329,119)	(1,332,973)
Foreign current tax on profits for the current period	3,570	197,217
Total current tax	(325,549)	(1,135,756)
Deferred tax		
Origination and reversal of timing differences	(779,164)	1,060,997
Adjustment in respect of prior periods	138,299	-
Total deferred tax	(640,865)	1,060,997
Total tax credit	(966,414)	(74,759)

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

12 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(3,888,127)	(2,174,800)
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</i>	(738,744)	(413,212)
Tax effect of expenses that are not deductible in determining taxable profit	649,938	87,921
Tax effect of income not taxable in determining taxable profit	(127,454)	(243,459)
Tax effect of utilisation of tax losses not previously recognised	69,829	-
Unutilised tax losses carried forward	54,691	324,219
Adjustments in respect of prior years	138,299	34,273
Group relief	(1,684)	-
Depreciation on assets not qualifying for tax allowances	(13,732)	(16,433)
Other permanent differences	-	(380,000)
Under/(over) provided in prior years	-	9,703
Deferred tax adjustments in respect of prior years	(779,164)	1,060,997
Foreign exchange differences	2,071	1,002
UK Theatre tax credit	(329,119)	(1,032,744)
Irrecoverable withholding tax	108,655	615,639
Receipts and payments in respect of group relief	-	(122,665)
Taxation credit	(966,414)	(74,759)

13 Discontinued operations

On 12 June 2022 the final performance of the West End production of Cinderella took place. Subsequent to that date Cinders Productions Limited and Cinders London Limited ceased to trade.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

14 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2022 £	2021 £
In respect of:			
Intangible assets	15	7,568,635	-
Recognised in:			
Exceptional items		7,568,635	-

These losses relate to an impairment recognised on the capitalised pre-production costs of two productions which ceased during the period.

15 Intangible fixed assets

Group	Copyrights £	Capitalised pre-production costs £	Total £
Cost			
At 1 July 2021	1,232,291	14,089,610	15,321,901
Additions	-	377,102	377,102
Exchange adjustments	-	1,060,335	1,060,335
At 30 June 2022	1,232,291	15,527,047	16,759,338
Amortisation and impairment			
At 1 July 2021	1,041,819	4,820,895	5,862,714
Amortisation charged for the year	60,207	-	60,207
Impairment losses	-	7,568,635	7,568,635
Exchange adjustments	-	711,267	711,267
At 30 June 2022	1,102,026	13,100,797	14,202,823
Carrying amount			
At 30 June 2022	130,265	2,426,250	2,556,515
At 30 June 2021	190,472	9,268,716	9,459,188

The company had no intangible fixed assets at 30 June 2022 or 30 June 2021.

More information on impairment movements in the year is given in note 14.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

16 Tangible fixed assets

Group	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Theatre sets (third party productions)	Total
	£	£	£	£	£
Cost					
At 1 July 2021	21,525,776	1,922,324	109,903	142,237	23,700,240
Additions	-	52,690	-	-	52,690
Disposals	-	(20,823)	-	-	(20,823)
At 30 June 2022	21,525,776	1,954,191	109,903	142,237	23,732,107
Depreciation and impairment					
At 1 July 2021	1,335,218	1,416,674	68,690	127,696	2,948,278
Depreciation charged in the year	406,781	262,537	27,476	10,944	707,738
Eliminated in respect of disposals	-	(18,306)	-	-	(18,306)
At 30 June 2022	1,741,999	1,660,905	96,166	138,640	3,637,710
Carrying amount					
At 30 June 2022	19,783,777	293,286	13,737	3,597	20,094,397
At 30 June 2021	20,190,558	505,650	41,213	14,541	20,751,962

The company had no tangible fixed assets at 30 June 2022 or 30 June 2021.

17 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	29	-	-	443,550	443,550
Investments in joint ventures	30	5,000,418	4,698,018	-	-
Investments in productions		157,053	231,264	-	-
		5,157,471	4,929,282	443,550	443,550

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

17 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

	Investments in joint ventures	Investments in productions	Total
	£	£	£
Cost or valuation			
At 1 July 2021	4,698,018	231,264	4,929,282
Additions	1,018,166	134,617	1,152,783
Share of profit for the year	(471,390)	-	(471,390)
Return of capital invested	-	(216,621)	(216,621)
Foreign exchange on translating overseas entities	154,113	7,793	161,906
Share of distributions received during the year	(398,489)	-	(398,489)
At 30 June 2022	5,000,418	157,053	5,157,471
Carrying amount			
At 30 June 2022	5,000,418	157,053	5,157,471
At 30 June 2021	4,698,018	231,264	4,929,282

Movements in fixed asset investments Company

Shares in group undertakings

	£
Cost or valuation	
At 1 July 2021 and 30 June 2022	443,550
Carrying amount	
At 30 June 2022	443,550
At 30 June 2021	443,550

18 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Work in progress	117,460	4,654	-	-

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

19 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	445,623	208,047	1	1
Corporation tax recoverable	475,857	2,431,005	-	-
Amounts owed by group undertakings	-	-	-	2,000,000
Other debtors	756,855	277,960	-	-
Prepayments and accrued income	5,444,233	2,354,351	-	-
	<u>7,122,568</u>	<u>5,271,363</u>	<u>1</u>	<u>2,000,001</u>
Deferred tax asset (note 23)	-	73,021	-	-
	<u>7,122,568</u>	<u>5,344,384</u>	<u>1</u>	<u>2,000,001</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 23)	852,185	-	-	-
	<u>852,185</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debtors	<u>7,974,753</u>	<u>5,344,384</u>	<u>1</u>	<u>2,000,001</u>

20 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	21	570,000	4,742,362	-	-
Other borrowings	21	1,324,193	4,437,504	-	-
Trade creditors		1,184,850	1,068,887	-	-
Amounts owed to group undertakings		-	-	-	2,000,000
Amounts owed to undertakings in which the group has a participating interest		38,129	-	-	-
Corporation tax payable		85,230	111,430	-	-
Other taxation and social security		198,642	171,548	-	-
Other creditors		2,324,703	3,102,743	-	-
Accruals and deferred income		15,256,204	7,904,616	-	-
		<u>20,981,951</u>	<u>21,539,090</u>	<u>-</u>	<u>2,000,000</u>

Amounts due to group undertakings are interest free and repayable on demand.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

21 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	9,850,000	9,850,000	-	-
Bank overdrafts	-	2,110,823	-	-
Investor capital loans	1,593,802	4,437,504	-	-
Other loans	1,324,193	-	-	-
	<u>12,767,995</u>	<u>16,398,327</u>	<u>-</u>	<u>-</u>
Payable within one year	1,894,193	6,548,327	-	-
Payable after one year	<u>10,873,802</u>	<u>9,850,000</u>	<u>-</u>	<u>-</u>

In the year ended 30 June 2018, Handelsbanken issued a facility for a 6 year Libor term loan drawn down to £12,400,000. The loan was repayable from June 2019 and the rate of interest is Libor + 1.95%.

On 27 March 2020 Handelsbanken had agreed to defer loan repayments up to December 2020 and in January 2021 agreed to extend the deferral until September 2022. In January 2022 loan repayments were further suspended to March 2023. The balance of the loan which is shown as due after more than one year (£9,280,000) is currently repayable in August 2023. Subsequent to the year end, the group received informal confirmation from Handelsbanken that it had approved the refinancing of this loan for a further 3 years. This approval remains subject to formal legal paperwork.

The loan is secured via a charge over freehold land and buildings with a net book value of £19,783,777 (2021: £20,190,559) and a group composite guarantee over the assets of the group.

A group overdraft of £4,000,000 is available to The Really Useful Group Limited and its subsidiaries. At 30 June 2022 the facility was not in use.

Investor capital loans are repayable only out of the profits of the production to which the loans relate and the timing of such repayments is at the reasonable discretion of The Group. Investors are entitled to a return on their investment equal to a fixed percentage of post recoupment profits of the production.

22 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	21	9,280,000	9,850,000	-	-
Other creditors		<u>1,593,802</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>10,873,802</u>	<u>9,850,000</u>	<u>-</u>	<u>-</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2022 £	Assets 2021 £
Group		
Capital allowances in excess of depreciation	566,650	-
Short term timing differences	6,089	73,021
Losses	279,446	-
	<u>852,185</u>	<u>73,021</u>

24 Share capital

	Group and company 2022 £	2021 £
Ordinary share capital Issued and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

25 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	357,708	230,561

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the year end pension contributions of £44,151 (2021: £27,452) remained outstanding and have been included within "Other Creditors".

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

26 Related party transactions

Lord Lloyd Webber advances

Lord Lloyd Webber is the ultimate controlling shareholder of the group. During the year the group incurred royalty costs of £5,344,758 (2021: £2,737,940) due to Lord Lloyd Webber. At the year end £44,067 (2021: £nil) was due to Lord Lloyd Webber in respect of these royalties. The directors consider these transactions have been entered into at arm's length on normal commercial terms.

Payments to third parties

During the year the group made purchases of £147,652 (2021: £265,041) from LW Theatres Group Ltd, a related party by virtue of common control. At the year end, the group owed £nil to (2021: £5,691) LW Theatres Group Ltd.

During the year the group made sales of £500,918 (2021: £601,393) to LW Theatres Ltd, a related party by virtue of common control. At the year end, the group was owed £63,281 (2021: £46,711) by LW Theatres Ltd.

During the year the group made sales of £13,248 (2021: £17,051) to, and purchases of £25,288 (2021: £34,766) from Escaway, a related party by virtue of common control. At the year end, the group owed £5,907 to (2021: £2,075) Escaway.

During the year the group made sales of £125,353 (2021: £nil) to Phantom Productions London Ltd, a related party by virtue of common control. At the year end, the company was owed £127,273 (2021: £55,529) from Phantom Productions London Ltd.

During the year the group made sales of £97 (2021: £nil) to The Other Songs Ltd, a related party by virtue of common control.

During the period the group made sales of £12,573,767 (2021: £nil) to, and purchases of £2,807,467 (2021 - £518,072) from GL Theatre Limited, a related party by virtue of common directorships. At the year end the group owed £nil (2021 - £268,072) to GL Theatre Limited.

Joint venture undertakings

During the year the group loaned £675,000 (2021: £3,125,000) to Phantom Productions London Ltd, a company in which the group holds a non-controlling investment. At the year end, the company was owed £3,800,000 (2021: £3,125,000) from Phantom Productions London Ltd.

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	239,744	199,752	-	-
Between two and five years	348,532	385,032	-	-
	<u>588,276</u>	<u>584,784</u>	<u>-</u>	<u>-</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

27 Operating lease commitments

(Continued)

Lessor

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	5,000	5,000	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

28 Controlling party

The ultimate controlling party is Lord Lloyd Webber by virtue of his ownership of 100% of the ordinary share capital of the company.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

29 Subsidiaries

Details of the company's subsidiaries at 30 June 2022 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Company On Stage Limited	1	Theatre producer	Ordinary		100.00
Golgotha Limited	1	Dormant	Ordinary		100.00
Jacob & Sons Limited	1	Film production	Ordinary		100.00
Really Useful Films Limited	1	Film production	Ordinary		100.00
Really Useful Holdings Limited	1	Holding company	Ordinary	100.00	
SOR Productions UK Limited	1	Theatre producer	Ordinary		100.00
The Opera Ghost Limited	1	Film production	Ordinary		100.00
The Really Useful Broadway Limited	1	Theatre producer	Ordinary		100.00
The Really Useful Broadway Inc	2	Theatre producer	Ordinary		100.00
The Really Useful Theatre Company Limited	1	Theatre producer	Ordinary		100.00
The Really Useful Company Inc	2	Theatre producer	Ordinary		100.00
The Really Useful Company Limited	1	Dormant	Ordinary		100.00
The Really Useful Film Company Limited	1	Film production	Ordinary		100.00
The Really Useful Group Limited	1	Develop and exploit the rights of musical and dramatical works	Ordinary		100.00
The Really Useful Record Company Limited	1	Dormant	Ordinary		100.00
The Really Useful Theatre Company Inc	2	Theatre producer	Ordinary		100.00
Angel of Music Limited	1	Theatre producer	Ordinary		100.00
U-Cast Limited	1	Dormant	Ordinary		100.00
Cinders Production Company Limited	1	Theatre producer	Ordinary		100.00
Really Useful Touring Inc	2	Theatre producer	Ordinary		100.00
Really Useful Productions Europe Limited	3	Non-trading	Ordinary		100.00
Cinders London Limited	1	Theatre producer	Ordinary		100.00

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

29 Subsidiaries

(Continued)

Registered Office address:

- 1 6 Catherine Street, London, WC2B 5JY
- 2 c/o Sauvigne & Company, LLP, Certified Public Accountants, 25 S. Service Road - Suite 100, Jericho, NY 11753
- 3 Commercial House, Millbank Business Park, Lucan, Co. Dublin, K78X5W6

Jacob & Sons Limited has claimed exemption from audit under section 479A of the Companies Act 2006.

30 Joint ventures

Details of joint ventures at 30 June 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
The Phantom Company Partnership	USA	Theatre producer	Investor profit share entitlement		27.00
SOR Broadway Ltd	USA	Theatre producer	Investor profit share entitlement		59.06
Phantom Productions London Limited	England & Wales	Theatre producer	Ordinary		55.00

The registered address for The Phantom Company Ltd Partnership is 1650 Broadway, Suite 800, New York, NY 10019.

The registered address for SOR Broadway Ltd Partnership is 230 West 41st Street, Suite 1703, New York, NY 10036.

The registered address for Phantom Productions London Limited is 1-2 Bedford Square, London, United Kingdom, WC1B 3RB.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

31 Cash generated from/(absorbed by) group operations

	2022 £	2021 £
Loss for the year after tax	(2,921,713)	(2,100,041)
Adjustments for:		
Share of results of associates and joint ventures	317,277	(3,559,321)
Taxation credited	(966,414)	(74,759)
Finance costs	360,887	302,166
Investment income	(24,351)	(198)
Loss on disposal of tangible fixed assets	2,518	13,575
Amortisation and impairment of intangible assets	7,628,842	1,353,909
Depreciation and impairment of tangible fixed assets	707,738	788,662
Other gains and losses	(5,059,671)	106,274
Movements in working capital:		
(Increase)/decrease in stocks	(112,806)	150,548
(Increase)/decrease in debtors	(3,586,161)	952,735
Increase/(decrease) in creditors	8,348,536	(4,199,042)
Cash generated from/(absorbed by) operations	4,694,682	(6,265,492)

32 Analysis of changes in net debt - group

	1 July 2021	Cash flows	Non-cash movements	Exchange rate movements	30 June 2022
	£	£	£	£	£
Cash at bank and in hand	7,740,369	2,490,685	-	368,990	10,600,044
Bank overdrafts	(4,742,362)	4,742,362	-	-	-
	<u>2,998,007</u>	<u>7,233,047</u>	<u>-</u>	<u>368,990</u>	<u>10,600,044</u>
Borrowings excluding overdrafts	(14,287,504)	(1,774,996)	4,888,307	-	(11,174,193)
	<u>(11,289,497)</u>	<u>5,458,051</u>	<u>4,888,307</u>	<u>368,990</u>	<u>(574,149)</u>

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.