

Really Useful Group Investments Limited

Annual Report and Financial Statements

For the year ended 30 June 2021

Company Registration No. 08159409 (England and Wales)

Really Useful Group Investments Limited

Company Information

Directors	J L Koravos	
	J C Quillan	
	A A Lloyd Webber	
	Lord A Lloyd Webber	
	Lady M A Lloyd Webber	
	W Lloyd Webber	
	M G Wordsworth	
	D C Chance	(Appointed 1 April 2021)
	I Lloyd Webber	(Appointed 1 June 2021)
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

Contents

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 8
Statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12
Company statement of changes in equity	13
Group statement of cash flows	14
Notes to the financial statements	15 - 39

Really Useful Group Investments Limited

Strategic Report

For the year ended 30 June 2021

The directors present the strategic report and financial statements for the year ended 30 June 2021.

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 £2,100,041 (2020: Loss of £173,249).

The consolidated balance sheet shows net assets of £16,840,749 (2020: £19,851,223).

During 2021 and 2020, the Coronavirus (COVID-19) pandemic has impacted all the countries where RUG licences and produces its shows. In many countries theatres have been completely closed, with theatrical performances suspended whilst, in others, actions to minimise the spread of the virus have included social distancing measures and reductions in theatre audience capacity. This has had a significant impact on the trading results of the company.

The company also oversaw the opening of Cinderella in June 2021, a new production by Andrew Lloyd Webber, which has been very well received. The show was forced to suspend performances for 4 weeks over the summer of 2021 and again in late December and January 2022 due to COVID-19 and, in common with the rest of the West End theatre sector, has been impacted by lower levels of international tourist business and higher costs of marketing after the long period of hiatus when theatres were completely closed.

The rapid development of COVID-19 vaccines, and the progress that has been made around the world in rolling these out to the general population, is an encouraging indicator that the spread of the pandemic is being brought under control leading to a return in many countries to a more normalised level of trading.

A co-production of The Phantom of the Opera, which had been running continuously for over 30 years in London's West End, was forced to close permanently during the period and the Group has invested in a new co-production which opened at Her Majesty's Theatre in July 2021.

The directors look forward to a successful future for these London productions and for the return of audiences around the world to live theatre.

Key performance indicators

As shown in the consolidated profit and loss account set out on page 8 group turnover has decreased by 73% (2020: decreased by 21.9%) on the prior period.

Really Useful Group Investments Limited

Strategic Report (Continued)

For the year ended 30 June 2021

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, cash flow risk and liquidity risk. The principal risks and uncertainties that the group faces are discussed below.

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.

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. Subsequent to the year end the loan facility has been renegotiated to defer capital repayments until March 2023. 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. On that basis the directors 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 roll-out of COVID-19 vaccinations progresses, restrictions on audiences and international travel are withdrawn, and general levels of business activity increase.

On behalf of the board

M G Wordsworth

Director

15 March 2022

Really Useful Group Investments Limited

Directors' Report

For the year ended 30 June 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

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.

Directors

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

J L Koravos

J C Quillan

A A Lloyd Webber

Lord A Lloyd Webber

Lady M A Lloyd Webber

W Lloyd Webber

M G Wordsworth

D C Chance

(Appointed 1 April 2021)

I Lloyd Webber

(Appointed 1 June 2021)

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid (2020: £-). The directors do not recommend payment of a final dividend.

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

M G Wordsworth

Director

15 March 2022

Really Useful Group Investments Limited

Directors' Responsibilities Statement

For the year ended 30 June 2021

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 2021 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2021 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 company 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 or 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

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

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 group and parent company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the group and parent 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 group and parent company comply 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.

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.

Use of our report

Really Useful Group Investments Limited

Independent Auditor's Report (Continued)

To the Members of Really Useful Group Investments Limited

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.

Valerie Cazalet (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

16 March 2022

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 2021

	Notes	2021 £	2020 £
Turnover	3	12,862,282	48,006,716
Cost of sales		(9,734,626)	(37,570,278)
Gross profit		3,127,656	10,436,438
Administrative expenses		(8,590,311)	(10,793,323)
Other operating income		136,776	93,938
Operating loss	4	(5,325,879)	(262,947)
Share of results of associates and joint ventures		3,559,321	976,889
Interest receivable and similar income	8	198	24,285
Interest payable and similar expenses	9	(302,166)	(344,184)
Amounts written off investments		(106,274)	(1,254,340)
Loss before taxation		(2,174,800)	(860,297)
Tax on loss	10	74,759	687,048
Loss for the financial year		(2,100,041)	(173,249)
Other comprehensive income			
Currency translation differences		(910,433)	244,680
Total comprehensive income for the year		(3,010,474)	71,431

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.

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

Really Useful Group Investments Limited

Consolidated Balance Sheet

As at 30 June 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	11	9,459,188		6,368,966	
Tangible assets	12	20,751,962		21,502,875	
Investments	13	4,929,282		3,655,993	
		<u>35,140,432</u>		<u>31,527,834</u>	
Current assets					
Stock	14	4,654		155,202	
Debtors	15	5,344,384		6,694,918	
Cash at bank and in hand		5,108,830		7,870,552	
		<u>10,457,868</u>		<u>14,720,672</u>	
Creditors: amounts falling due within one year	16	<u>(18,907,551)</u>		<u>(16,540,145)</u>	
Net current liabilities		<u>(8,449,683)</u>		<u>(1,819,473)</u>	
Total assets less current liabilities		<u>26,690,749</u>		<u>29,708,361</u>	
Creditors: amounts falling due after more than one year	17	(9,850,000)		(9,280,000)	
Provisions for liabilities	20	-		(577,138)	
		<u>16,840,749</u>		<u>19,851,223</u>	
Capital and reserves					
Called up share capital	22	2		2	
Profit and loss reserves		16,840,747		19,851,221	
Shareholders' funds		<u>16,840,749</u>		<u>19,851,223</u>	

The financial statements were approved by the board of directors and authorised for issue on 15 March 2022 and are signed on its behalf by:

J C Quillan
Director

Company Registration No. 08159409

Really Useful Group Investments Limited

Company Balance Sheet

As at 30 June 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	13		443,550		443,550
Current assets					
Debtors	15	2,000,001		2,000,001	
Creditors: amounts falling due within one year	16	(2,000,000)		(2,000,000)	
Net current assets			1		1
Total assets less current liabilities			<u>443,551</u>		<u>443,551</u>
Capital and reserves					
Called up share capital	22		2		2
Share premium account			<u>443,549</u>		<u>443,549</u>
Total equity			<u>443,551</u>		<u>443,551</u>

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 (2020 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 15 March 2022 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 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 July 2019	2	19,779,790	19,779,792
Year ended 30 June 2020:			
Loss for the year	-	(173,249)	(173,249)
Other comprehensive income:			
Currency translation differences	-	244,680	244,680
Total comprehensive income for the year	-	71,431	71,431
Balance at 30 June 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 on overseas subsidiaries	-	(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

Really Useful Group Investments Limited

Company Statement of Changes in Equity

For the year ended 30 June 2021

	Share capital	Share premium account	Total
	£	£	£
Balance at 1 July 2019	2	443,549	443,551
Year ended 30 June 2020:			
Profit and total comprehensive income for the year	-	-	-
Balance at 30 June 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

Really Useful Group Investments Limited

Group Statement of Cash Flows

For the year ended 30 June 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28		(6,265,492)		1,443,227
Interest paid			(302,166)		(344,184)
Income taxes refunded/(paid)			1,057,875		(748,674)
Net cash (outflow)/inflow from operating activities			(5,509,783)		350,369
Investing activities					
Purchase of intangible assets		(4,987,035)		(1,042,758)	
Purchase of tangible fixed assets		(67,513)		(286,927)	
Proceeds on disposal of tangible fixed assets		16,189		168,083	
Distributions received from joint ventures		2,359,134		2,191,793	
Purchase of fixed asset investments		-		(71,427)	
Proceeds on disposal of fixed asset investments		-		9,252	
Capital invested in productions		(3,243,621)		(3,519,715)	
Recoupment of investments in productions		3,140,942		505,889	
Interest received		198		24,285	
Net cash used in investing activities			(2,781,706)		(2,021,525)
Financing activities					
Proceeds from production investor capital		4,437,504		-	
Repayment of bank loans		-		(540,000)	
Net cash generated from/(used in) financing activities			4,437,504		(540,000)
Net decrease in cash and cash equivalents			(3,853,985)		(2,211,156)
Cash and cash equivalents at beginning of year			7,189,944		9,401,100
Effect of foreign exchange rates			(337,952)		-
Cash and cash equivalents at end of year			2,998,007		7,189,944
Relating to:					
Cash at bank and in hand			5,108,830		7,870,552
Bank overdrafts included in creditors payable within one year			(2,110,823)		(680,608)

Really Useful Group Investments Limited

Notes to the Financial Statements

For the year ended 30 June 2021

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. 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.

The consolidated financial statements incorporate those of Really Useful Group Investments Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2021. 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 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. In the group financial statements, associates are accounted for using the equity method.

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. In the group financial statements, joint ventures are accounted for using the equity method.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

1 Accounting policies

(Continued)

1.3 Going concern

The directors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors have made this assessment for a period of at least one year from the date of the approval of the financial statements.

During 2021 and 2020, the spread of Coronavirus (COVID-19) continued to impact countries across the globe. In many countries, theatrical performances were either suspended with theatres closed, or operating with much-reduced audience capacity to allow for social distancing, following government advice to minimise the spread of the virus. This has had a significant impact on the trading results of the group as the royalty entitlement the group receives from these productions is much reduced.

The directors are of the opinion that the impact of COVID-19 will reduce going forward and that royalty entitlements will increase as productions resume. Post year end the existing loan facility with Handelsbanken was renegotiated to defer capital repayments until March 2023. The management team have prepared a detailed cash flow forecast 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. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

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.

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 if the fair value can be measured reliably.

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

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

1 Accounting policies

(Continued)

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
Short-term leasehold properties	Over the unexpired term of the lease
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.

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.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

1 Accounting policies

(Continued)

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.

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.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

1 Accounting policies

(Continued)

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 at bank and in hand 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.

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.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

1 Accounting policies

(Continued)

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.

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 extent 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.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

1 Accounting policies

(Continued)

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 direct issue 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 2021

1 Accounting policies

(Continued)

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.16 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.

1.17 Retirement benefits

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

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.19 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.

1.20 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 are included in the profit and loss account for the period.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

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

The group is involved in a number of co-production arrangements and these have been recognised as such when the group is able to affect control over significant decisions. In these cases the productions are accounted for as joint ventures. When considering the level of control the group review the financial, operational and creative control it exerts.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

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. There is often a delay in receiving the royalty income statement, at the year-end management therefore need to estimate the royalty income based on current and historical experience.

3 Turnover and other revenue

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

	2021	2020
	£	£
Turnover analysed by class of business		
Theatre productions	9,487,551	39,614,834
Record and music publishing	2,104,253	6,154,315
Merchandising	392,882	1,010,326
Film production	877,596	1,227,241
	<u>12,862,282</u>	<u>48,006,716</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

3 Turnover and other revenue (Continued)

	2021 £	2020 £
Other income		
Recharged expenses	103,880	48,402
Grants received	32,896	30,352
Insurance income	-	15,184
	<u>136,776</u>	<u>93,938</u>

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	305,784	13,527,862
USA and Canada	2,845,777	11,796,419
Europe	2,092,480	8,301,315
Japan	2,762,801	3,306,449
Australia and South East Asia	4,855,440	11,074,671
	<u>12,862,282</u>	<u>48,006,716</u>

4 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(140,890)	123,003
Research and development costs	(34,273)	-
Government grants	(32,896)	(30,352)
Depreciation of owned tangible fixed assets	788,662	953,333
Loss on disposal of tangible fixed assets	13,575	1,805
Amortisation of intangible assets	1,353,909	2,675,764
Operating lease charges	272,271	271,699
	<u></u>	<u></u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £140,890 (2020 - £123,003).

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	20,850	20,250
Audit of the financial statements of the company's subsidiaries	87,100	85,250
	<u>107,950</u>	<u>105,500</u>
For other services		
Audit-related assurance services	6,600	-
Preparation of statutory accounts	31,550	52,300
Taxation compliance services	47,000	64,000
Other assurance services	3,500	3,250
	<u>88,650</u>	<u>119,550</u>

6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Office and management	50	54	-	-
Theatre productions	40	136	-	-
	<u>90</u>	<u>190</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	5,483,310	9,403,379	-	-
Social security costs	442,304	530,644	-	-
Pension costs	230,561	283,017	-	-
	<u>6,156,175</u>	<u>10,217,040</u>	<u>-</u>	<u>-</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	1,267,232	1,332,466
Company pension contributions to defined contribution schemes	19,059	15,796
	<u>1,286,291</u>	<u>1,348,262</u>

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

	2021 £	2020 £
Remuneration for qualifying services	<u>376,910</u>	<u>399,733</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.

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	<u>198</u>	<u>24,285</u>

9 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>302,166</u>	<u>344,184</u>

10 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	(552,610)	(540,184)
Adjustments in respect of prior periods	43,976	(328,392)
Other tax reliefs	<u>(824,339)</u>	<u>-</u>
Total UK current tax	<u>(1,332,973)</u>	<u>(868,576)</u>
Foreign current tax on profits for the current period	197,217	367,289
Adjustments in foreign tax in respect of prior periods	<u>-</u>	<u>(14,912)</u>
Total current tax	<u>(1,135,756)</u>	<u>(516,199)</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

10 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences	1,060,997	(170,849)
------------------------------------------------	-----------	-----------

Total tax credit for the year	(74,759)	(687,048)
-------------------------------	----------	-----------

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

	2021 £	2020 £
Loss before taxation	(2,174,800)	(860,297)
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)</i>	(413,212)	(163,456)
Tax effect of expenses that are not deductible in determining taxable profit	87,921	32,272
Tax effect of income not taxable in determining taxable profit	(243,459)	-
Unutilised tax losses carried forward	324,219	11,295
Adjustments in respect of prior years	34,273	-
Effect of change in corporation tax rate	-	(73,359)
Group relief	424,644	-
Depreciation on assets not qualifying for tax allowances	(16,433)	45,938
Other non-reversing timing differences	-	230,832
Other permanent differences	(380,000)	-
Effect of overseas tax rates	-	(63,266)
Under/(over) provided in prior years	9,703	(72,798)
Deferred tax adjustments in respect of prior years	1,060,997	(90,971)
Foreign exchange differences	1,002	-
UK Theatre tax credit	(1,032,744)	(648,555)
Additional deduction under S112 TIOPA 2010	-	(24,634)
Irrecoverable withholding tax	190,995	129,654
Receipts and payments in respect of group relief	(122,665)	-
Taxation credit for the year	(74,759)	(687,048)

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

11 Intangible fixed assets

Group	Copyrights	Capitalised pre-production costs	Total
	£	£	£
Cost			
At 1 July 2020	1,181,791	10,193,919	11,375,710
Additions	50,500	4,936,535	4,987,035
Exchange adjustments	-	(1,040,843)	(1,040,843)
At 30 June 2021	1,232,291	14,089,611	15,321,902
Amortisation and impairment			
At 1 July 2020	986,661	4,020,084	5,006,745
Amortisation charged for the year	55,158	1,298,751	1,353,909
Exchange adjustments	-	(497,940)	(497,940)
At 30 June 2021	1,041,819	4,820,895	5,862,714
Carrying amount			
At 30 June 2021	190,472	9,268,716	9,459,188
At 30 June 2020	195,130	6,173,836	6,368,966

The company had no intangible fixed assets at 30 June 2021 or 30 June 2020.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

12 Tangible fixed assets

Group	Freehold land and buildings	Short-term leasehold properties	Fixtures and fittings	Motor vehicles	Theatre sets (third party productions)	Total
£	£	£	£	£	£	£
Cost						
At 1 July 2020	21,525,776	200,832	1,902,968	109,903	142,237	23,881,716
Additions	-	-	67,513	-	-	67,513
Disposals	-	(200,832)	(48,157)	-	-	(248,989)
At 30 June 2021	21,525,776	-	1,922,324	109,903	142,237	23,700,240
Depreciation and impairment						
At 1 July 2020	928,437	171,006	1,153,924	41,214	84,260	2,378,841
Depreciation charged in the year	406,781	17,798	293,171	27,476	43,436	788,662
Eliminated in respect of disposals	-	(188,804)	(30,421)	-	-	(219,225)
At 30 June 2021	1,335,218	-	1,416,674	68,690	127,696	2,948,278
Carrying amount						
At 30 June 2021	20,190,558	-	505,650	41,213	14,541	20,751,962
At 30 June 2020	20,597,339	29,826	749,044	68,689	57,977	21,502,875

The company had no tangible fixed assets at 30 June 2021 or 30 June 2020.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

13 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	26	-	-	443,550	443,550
Investments in joint ventures	27	4,698,018	3,372,831	-	-
Investments in productions		231,264	283,162	-	-
		<u>4,929,282</u>	<u>3,655,993</u>	<u>443,550</u>	<u>443,550</u>

Movements in fixed asset investments

Group	Investments in joint ventures	Investments in productions	Total
	£	£	£
Cost or valuation			
At 1 July 2020	3,372,831	283,162	3,655,993
Additions	3,125,000	118,621	3,243,621
Share of profit for the year	3,559,321	-	3,559,321
Return of capital invested	(3,000,000)	(140,942)	(3,140,942)
Foreign exchange on translating overseas entities	-	(29,577)	(29,577)
Share of distributions received during the year	(2,359,134)	-	(2,359,134)
At 30 June 2021	<u>4,698,018</u>	<u>231,264</u>	<u>4,929,282</u>
Carrying amount			
At 30 June 2021	<u>4,698,018</u>	<u>231,264</u>	<u>4,929,282</u>
At 30 June 2020	<u>3,372,831</u>	<u>283,162</u>	<u>3,655,993</u>

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 July 2020 and 30 June 2021	<u>443,550</u>
Carrying amount	
At 30 June 2021	<u>443,550</u>
At 30 June 2020	<u>443,550</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

14 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Work in progress	4,654	155,202	-	-

15 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	208,047	840,313	1	1
Corporation tax recoverable	2,431,005	2,200,300	-	-
Amounts due from group undertakings	-	-	2,000,000	2,000,000
Other debtors	277,960	462,077	-	-
Prepayments and accrued income	2,354,351	1,459,999	-	-
	5,271,363	4,962,689	2,000,001	2,000,001
Deferred tax asset (note 19)	73,021	-	-	-
	5,344,384	4,962,689	2,000,001	2,000,001
Amounts falling due after more than one year:				
Deferred tax asset (note 19)	-	1,732,229	-	-
Total debtors	5,344,384	6,694,918	2,000,001	2,000,001

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

16 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	18	2,110,823	1,250,608	-	-
Investor capital	18	4,437,504	-	-	-
Trade creditors		1,068,887	1,227,686	-	-
Amounts due to group undertakings		-	-	2,000,000	2,000,000
Corporation tax payable		111,430	-	-	-
Other taxation and social security		171,548	530,574	-	-
Other creditors		3,102,743	4,034,601	-	-
Accruals and deferred income		7,904,616	9,496,676	-	-
		<u>18,907,551</u>	<u>16,540,145</u>	<u>2,000,000</u>	<u>2,000,000</u>

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

17 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	18	<u>9,850,000</u>	<u>9,280,000</u>	<u>-</u>	<u>-</u>

18 Loans and overdrafts

		Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans		9,850,000	9,850,000	-	-
Bank overdrafts		2,110,823	680,608	-	-
Investor capital loans		4,437,504	-	-	-
		<u>16,398,327</u>	<u>10,530,608</u>	<u>-</u>	<u>-</u>
Payable within one year		6,548,327	1,250,608	-	-
Payable after one year		<u>9,850,000</u>	<u>9,280,000</u>	<u>-</u>	<u>-</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

18 Loans and overdrafts

(Continued)

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%.

The loan is secured via a charge over freehold land and buildings with a net book value of £20,190,559 (2020: £20,597,339) 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 2021 the net cash position of the facility was £2,110,823.

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.

19 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:

	Liabilities 2021	Liabilities 2020	Assets 2021	Assets 2020
Group	£	£	£	£
Capital allowances in excess of depreciation	-	-	-	569,190
Short term timing differences	-	-	73,021	159,826
Losses	-	-	-	1,003,213
Other fixed asset timing differences	-	556,817	-	-
	<u>-</u>	<u>556,817</u>	<u>73,021</u>	<u>1,732,229</u>

20 Provisions for liabilities

	Group 2021	2020	Company 2021	2020
Notes	£	£	£	£
Provision for closing costs of Theatrical Production	-	20,321	-	-
Deferred tax liabilities	19	556,817	-	-
	<u>-</u>	<u>577,138</u>	<u>-</u>	<u>-</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

21 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	230,561	283,017

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 £6,735 (2020: £27,452) remained outstanding and have been included within "Other Creditors".

22 Share capital

	Group and company	
	2021	2020
Ordinary share capital	£	£
Issued and fully paid		
2 Ordinary shares of £1 each	2	2

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

22 Share capital

(Continued)

23 Related party transactions

Lord Lloyd Webber advances

Lord Lloyd Webber is the ultimate controlling shareholder of the company. During the year the company incurred royalty costs of £2,737,940 (2020: £12,651,000) due to Lord Lloyd Webber. At the year end £nil (2020: £69,884) 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 company made purchases of £265,041 (2020: £113,605) from LW Theatres Group Ltd, a related party by virtue of common control. At the year end, the company owed £5,691 to (2020: £1,635) LW Theatres Group Ltd.

During the year the company made sales of £601,393 (2020: £486,666) to LW Theatres Ltd, a related party by virtue of common control. At the year end, the company was owed £46,711 (2020: £105,982) by LW Theatres Ltd.

During the year the company made sales of £17,051 (2020: £56,886) to, and purchases of £34,766 (2020: £45,669) from Escaway, a related party by virtue of common control. At the year end, the company owed £2,075 to (2020: was owed £8,000 from) Escaway.

At the year end, the company was owed £55,529 (2020: £nil) from Phantom Productions London Ltd, a related party by virtue of common control.

During the year, rent outgoings on a property lease totalling £89,821 (2020: £95,099) were paid to Lady Lloyd Webber, a director of the company. At the year end, the company owed £nil (2020: £2,838).

During the period the group made sales of £nil (2020: £2,407,415) and purchases of £nil (2020: £431,252) to and from New London Theatre Properties Ltd, a company under common directorship. At the period end the group was owed £nil (2020: £nil) by New London Theatre Properties Ltd.

During the period the company made purchases of £518,072 (2020 - £nil) from GL Theatre Limited, a related party by virtue of common directorships. At the year end the company owed £268,072 (2020 - £nil) to GL Theatre Limited.

Joint venture undertakings

During the period the group made purchases of £18,897 (2020 - £nil) from Box Five Productions Limited, a company in which the group held a non-controlling investment. During the year the group was repaid in full the £3,000,000 loan made to Box Five Productions Ltd. At the year end, the company was owed £nil (2020: £3,000,000) from Box Five Productions Ltd and subsequent to the year end, Box Five Productions Ltd was struck off.

During the year the group loaned £3,125,000 (2020: £nil) to Phantom Productions London Ltd, a company in which the group holds a non-controlling investment. At the year end, the company was owed £3,125,000 (2020: £nil) from Phantom Productions London Ltd.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

24 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	
	2021	2020	2021	2020
	£	£	£	£
Within one year	7,236	137,298	-	-
	<u>7,236</u>	<u>137,298</u>	<u>-</u>	<u>-</u>

Lessor

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	5,000	-	-	-
	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

25 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 2021

26 Subsidiaries

Details of the company's subsidiaries at 30 June 2021 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 2021

26 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.

27 Joint ventures

Details of joint ventures at 30 June 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Phantom London	England & Wales	Theatre producer	Investor profit share entitlement		24.20
The Phantom Company Partnership	USA	Theatre producer	Investor profit share entitlement		27.00
Phantom Touring LLC	USA	Theatre producer	Investor profit share entitlement		42.50
SOR Broadway Ltd	USA	Theatre producer	Investor profit share entitlement		59.06
Phantom Productions London Limited	England & Wales	Theatre producer	A Ordinary		100.00
Box Five Productions Limited	England & Wales	Theatre producer	Ordinary		50.00

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

27 Joint ventures

(Continued)

The registered address for Phantom London is Number One Bedford Square, London, WC1B 3RB.

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

The registered address for Phantom Touring LLC is 7135 Minstrel Way, Suite 105, Columbia, MD 21045.

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.

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

28 Cash generated from group operations

	2021 £	2020 £
Loss for the year after tax	(2,100,041)	(173,249)
Adjustments for:		
Share of results of associates and joint ventures	(3,559,321)	(976,889)
Taxation credited	(74,759)	(687,048)
Finance costs	302,166	344,184
Investment income	(198)	(24,285)
Loss on disposal of tangible fixed assets	13,575	1,805
Amortisation and impairment of intangible assets	1,353,909	2,675,764
Depreciation and impairment of tangible fixed assets	788,662	953,333
Amounts written off investments	106,274	1,254,340
(Decrease) in provisions	-	(36,679)
Movements in working capital:		
Decrease in stocks	150,548	452,680
Decrease in debtors	956,288	4,089,696
(Decrease) in creditors	(4,202,595)	(6,430,425)
Cash (absorbed by)/generated from operations	(6,265,492)	1,443,227

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.