

Really Useful Group Investments Limited

Annual Report and Financial Statements

For the year ended 30 June 2023

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 A A Lloyd Webber W Lloyd Webber I Lloyd Webber M Lowes L I Chapman J S McKnight I Lloyd Webber
Company number	08159409
Registered office	6 Catherine Street London WC2B 5JY
Auditors	Moore Kingston Smith LLP Statutory Auditor 17 Gresse Street London W1T 1QL United Kingdom
Bankers	Handelsbanken plc 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 2023

The directors present the strategic report for the year ended 30 June 2023.

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Introduction and principal activities

The company is wholly owned by Lord Lloyd Webber and is the ultimate parent of The Really Useful Group group of companies.

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

The group's activities are expected to continue for the foreseeable future.

Operating and Business Review

Turnover increased in the current year by 15.3% to £43.6m (2022: £37.8m) as the group benefited from a full year of trading.

The profit for the year, after taxation, amounted to £9,684,272 (2022: Loss of £2,921,713).

The consolidated balance sheet shows net assets of £23,585,187 (2022: £14,644,887).

Production and licensing showed a significant increase in activity compared to the previous two financial years, which were impacted so significantly by the Coronavirus (COVID-19) pandemic across all the territories in which the group operates.

The group benefited from a number of very successful productions in the financial period, including Phantom of the Opera West End and Australia, the long running Starlight Express Bochum, Japanese productions of Phantom of the Opera and Cats as well the continued success of the US tours of Jesus Christ Superstar and Cats.

However, the significantly higher costs of staging Phantom of the Opera on Broadway, including the impact of COVID-19 safety measures, resulted in the show being unable to run profitably. After a 35-year run, an announcement was made in September 2022 that the show would be closing. Following this announcement, the show achieved record breaking box office in the run up to the final performance on 16th April 2023. The higher royalties and profit shares received over this period positively impacted the group's results.

The results from these productions offset the costs incurred due to the closure of Bad Cinderella on Broadway.

Key performance indicators

The group considers its key performance indicators to be:

- Attendance figures
- Average ticket price
- Box office takings
- Advance bookings
- Merchandise spend per head

From the list above, the most important drivers of our business are attendance (2023: 4.63m; 2022: 3.74m) and box office takings (2023: £304.7m; 2022: £210.4m). These figures represent first class productions, which account for the majority of the group's turnover, and do not include any data from China.

Really Useful Group Investments Limited

Strategic Report (Continued)

For the year ended 30 June 2023

Future developments and events after the balance sheet date

The directors are optimistic that the continued development and exploitation of the group's copyrights and other rights will result in strong trading results next year.

In August 2023, The Really Useful Group Limited, one of the company's subsidiaries, repaid its term loan and entered into a new 3-year £7m revolving credit facility agreement with Handelsbanken plc.

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 schedules of various productions and the locations around the world in which the production 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 in the rights held.

Financial risks

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

Credit risk

Where the group offers credit to customers, we mitigate the risk by working only with established, reputable companies, running credit risk assessments on suppliers and seeking advance payments where appropriate. The Board does not consider this to be a significant risk.

Foreign exchange 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 ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of its own cash balances and undrawn revolving credit facilities. The group monitors its liquidity position closely through the regular use of cash flows forecasts.

Going concern

After making reasonable enquiries and considering the trading forecasts of the group, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for at least twelve months from the signing of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1.3 of the financial statements.

Environment

The group recognises the importance of its environmental responsibilities which are covered in more detail in the S172 statement below.

Really Useful Group Investments Limited

Strategic Report (Continued)

For the year ended 30 June 2023

Section 172 (1) statement

Section 172 (1) (a) to (f) of the Companies Act 2006 requires that directors must act in a way they consider in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a. *the likely consequences of any decision in the long term*

The board meets regularly to discuss and make decisions on matters of strategic importance to the business, to promote the long-term success of the group and to consider the likely long-term impact of any such decisions.

b. *the interests of the company's employees*

The enthusiasm, creativity, hard work and commitment of the group's employees form the backbone of our business. The group has a number of policies in place to ensure the well-being of staff and provides training across a wide range of areas in order for them to develop and grow. The group operates a management structure that ensures staff are aware of strategic decisions and current performance and likewise provide a forum for matters arising from staff to be escalated and dealt with appropriately.

c. *the need to foster the company's relationships with suppliers, customers and others*

The group works hard to establish and maintain strong relationships with its suppliers and customers. Representatives of the group are in contact regularly with these stakeholders to develop and strengthen these relationships for the benefit of the group.

d. *the impact of the company's operations on the community and the environment*

The group is committed to enhancing and having a positive impact upon local communities where our productions take place. Therefore, the group engages regularly with local presenters and producers. The group also actively promotes theatre and donates to various charities.

The group considers the impact of its decision on the environment. We aim not to send any waste to landfill, have phased out the use of single use plastics wherever possible and partner with green energy suppliers. We actively encourage our office to show initiative to reduce waste, including the sorting and recycling of waste, donating equipment and used technology and putting drinking water taps in place to reduce the use of single use plastic. As much as possible we partner with green suppliers whose products are eco-friendly and reduce the impact on the environment.

e. *the desirability of the company maintaining a reputation for high standards of conduct*

The group expects the highest standards of conduct from its employees, customers and suppliers with which it engages.

The group complies with all relevant legislation, including those targeted at preventing discrimination, equal opportunities, anti-bribery, health and safety and dignity at work. Such principles are embedded through the group's policies.

f. *the need to act fairly between members of the company*

On behalf of the board

The Board engages regularly with the shareholder about the affairs of the group and seeks to take decisions in the best interests of the shareholder.

L I Chapman
Director
13 March 2024

Really Useful Group Investments Limited

Directors' Report

For the year ended 30 June 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

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 page 10.

No ordinary dividends were paid (2022: £-). 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

A A Lloyd Webber

W Lloyd Webber

I Lloyd Webber

J L Koravos

(Resigned 30 April 2023)

J C Quillan

(Resigned 4 December 2023)

C Farmer

(Resigned 24 February 2023)

M Lowes

L I Chapman

(Appointed 1 November 2023)

J S McKnight

(Appointed 4 December 2023)

I Lloyd Webber

(Appointed 1 May 2023)

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

L I Chapman

Director

13 March 2024

Really Useful Group Investments Limited

Directors' Responsibilities Statement

For the year ended 30 June 2023

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 2023 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2023 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 and parent 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'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 their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept 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 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 company'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 noncompliance 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

19 March 2024

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 2023

	Notes	Continuing operations	Discontinued operations	30 June 2023	Continuing operations	Discontinued operations	30 June 2022
		£	£	£	£	£	£
Turnover	3	43,631,059	-	43,631,059	25,269,479	12,573,767	37,843,246
Cost of sales		(27,790,744)	-	(27,790,744)	(16,212,102)	(9,644,515)	(25,856,617)
Gross profit		15,840,315	-	15,840,315	9,057,377	2,929,252	11,986,629
Administrative expenses		(10,868,592)	-	(10,868,592)	(8,602,388)	(4,172,812)	(12,775,200)
Other operating (expenses)/income		(2,163)	-	(2,163)	20,024	43,197	63,221
Exceptional item	4	-	-	-	(1,265,762)	(1,390,373)	(2,656,135)
Operating profit/(loss)	6	4,969,560	-	4,969,560	(790,749)	(2,590,736)	(3,381,485)
Share of results of associates and joint ventures		5,594,277	-	5,594,277	(317,277)	-	(317,277)
Interest receivable and similar income	9	73,871	-	73,871	24,351	-	24,351
Interest payable and similar expenses	10	(356,177)	-	(356,177)	(336,761)	(24,126)	(360,887)
Amounts written off investments	11	(77,563)	-	(77,563)	147,171	-	147,171
Profit/(loss) before taxation		10,203,968	-	10,203,968	(1,273,265)	(2,614,862)	(3,888,127)
Tax on profit/(loss)	12	(519,696)	-	(519,696)	710,316	256,098	966,414
Profit/(loss) for the financial year		9,684,272	-	9,684,272	(562,949)	(2,358,764)	(2,921,713)
Other comprehensive income							
Currency translation differences				(743,972)			725,851
Total comprehensive income for the year				8,940,300			(2,195,862)

Profit/(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 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	14	1,673,106	2,556,515
Tangible assets	15	19,493,569	20,094,397
Investments	16	5,148,689	5,157,471
		<u>26,315,364</u>	<u>27,808,383</u>
Current assets			
Debtors	17	5,890,452	8,092,213
Cash at bank and in hand		18,321,919	10,600,044
		<u>24,212,371</u>	<u>18,692,257</u>
Creditors: amounts falling due within one year	18	<u>(25,407,915)</u>	<u>(20,981,951)</u>
Net current liabilities		<u>(1,195,544)</u>	<u>(2,289,694)</u>
Total assets less current liabilities		<u>25,119,820</u>	<u>25,518,689</u>
Creditors: amounts falling due after more than one year	20	<u>(1,534,633)</u>	<u>(10,873,802)</u>
Net assets		<u><u>23,585,187</u></u>	<u><u>14,644,887</u></u>
Capital and reserves			
Called up share capital	22	2	2
Profit and loss reserves		23,585,185	14,644,885
Total equity		<u><u>23,585,187</u></u>	<u><u>14,644,887</u></u>

The financial statements were approved by the board of directors and authorised for issue on 13 March 2024 and are signed on its behalf by:

L I Chapman
Director

Really Useful Group Investments Limited

Group Statement of Changes in Equity

For the year ended 30 June 2023

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 July 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
Year ended 30 June 2023:			
Profit for the year	-	9,684,272	9,684,272
Other comprehensive income:			
Currency translation differences	-	(743,972)	(743,972)
Total comprehensive income for the year	-	8,940,300	8,940,300
Balance at 30 June 2023	2	23,585,185	23,585,187

Really Useful Group Investments Limited

Company Balance Sheet

As at 30 June 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	16		443,550		443,550
Current assets					
Debtors	17	1		1	
Net current assets			1		1
Net assets			443,551		443,551
Capital and reserves					
Called up share capital	22		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 (2022 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 13 March 2024 and are signed on its behalf by:

L I Chapman
Director

Company Registration No. 08159409

Really Useful Group Investments Limited

Company Statement of Changes in Equity

For the year ended 30 June 2023

	Share capital	Share premium account	Total
	£	£	£
Balance at 1 July 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
Year ended 30 June 2023:			
Profit and total comprehensive income for the year	-	-	-
Balance at 30 June 2023	2	443,549	443,551

Really Useful Group Investments Limited

Group Statement of Cash Flows

For the year ended 30 June 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	29	4,596,940		4,694,682	
Interest paid		(380,370)		(336,694)	
Income taxes refunded		228,086		2,043,177	
Income taxes paid		(239,757)		-	
Net cash inflow from operating activities		4,204,899		6,401,165	
Investing activities					
Purchase of intangible assets		-	(377,102)		
Purchase of tangible fixed assets		(43,162)	(52,690)		
Proceeds on disposal of tangible fixed assets		1,899	-		
Distributions received from joint ventures		2,599,602	398,489		
Capital invested in productions		(453,596)	(1,128,250)		
Recoupment of investments in productions		3,457,403	216,621		
Interest received		73,871	24,351		
Net cash generated from/(used in) investing activities		5,636,017		(918,581)	
Financing activities					
Proceeds from production investor capital		-	1,774,996		
Repayment of borrowings		(1,300,000)	-		
Repayment of bank loans		(570,000)	-		
Net cash (used in)/generated from financing activities		(1,870,000)		1,774,996	
Net increase in cash and cash equivalents		7,970,916		7,257,580	
Cash and cash equivalents at beginning of year		10,600,044		2,998,007	
Effect of foreign exchange rates		(249,282)		344,457	
Cash and cash equivalents at end of year		18,321,678		10,600,044	
Relating to:					
Cash at bank and in hand		18,321,919		10,600,044	
Bank overdrafts included in creditors payable within one year		(241)		-	

Really Useful Group Investments Limited

Notes to the Financial Statements

For the year ended 30 June 2023

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 2023. 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 2023

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 group will continue to trade profitably and generate cash from trading. The directors are committed to continuing to grow the business for ongoing long-term success.

Consequently, the directors are confident that the group 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 unrecouped 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 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.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

1 Accounting policies

(Continued)

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
Capitalised pre-production costs	Over the life of the production*

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	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

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. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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 2023

1 Accounting policies

(Continued)

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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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 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.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

1 Accounting policies

(Continued)

1.10 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.

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.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

1 Accounting policies

(Continued)

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 and loans from fellow group companies 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 which are not being carried at fair value 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.

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.

1.11 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.

1.12 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.

1.13 Taxation

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

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

1 Accounting policies

(Continued)

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.

1.14 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.

1.15 Retirement benefits

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

1.16 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.

1.17 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 2023

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.

Investments in theatre productions

The investments relate to non-recourse loans to companies involved with theatre productions either directly or indirectly. The directors are required to make a determination at each year end of the likelihood that the productions will recoup and retain the company's investment monies. Forecasting the future performance of a theatrical production is subject to a significant amount of uncertainty, being affected by future estimated box office receipts and running costs

Joint ventures

Theatrical productions are commonly held within special purpose vehicles. The management and control of those SPV's is commonly split between multiple producers and is governed by the terms of a co-production agreement. In determining whether a production SPV should be classified as a subsidiary, joint venture or non-participating interest the company considers that the terms of the co-production agreement are generally the key determinant of control. In many cases ownership of the equity share capital or relative ownership of that capital does not equate to the degree of control the company is able to exercise over the SPV or the company's entitlement to the profits of the SPV.

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. 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.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

3 Turnover and other revenue

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

	2023 £	2022 £
Turnover analysed by class of business		
Theatre productions	37,508,568	33,970,590
Record and music publishing	1,895,881	1,752,173
Merchandising	3,216,061	1,346,496
Film production	1,010,549	773,987
	<u>43,631,059</u>	<u>37,843,246</u>

	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	5,083,142	15,659,281
USA and Canada	17,591,196	9,137,382
Europe	4,853,643	5,354,592
Japan	5,746,871	3,954,010
Australia and Rest of the World	10,356,207	3,737,981
	<u>43,631,059</u>	<u>37,843,246</u>

	2023 £	2022 £
Other revenue		
Interest income	73,871	24,351
	<u>73,871</u>	<u>24,351</u>

4 Exceptional item

	2023 £	2022 £
Write back of non-recourse loan	-	(4,912,500)
Impairment of pre-production costs	-	7,568,635
	<u>-</u>	<u>2,656,135</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

5 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Office and management	61	55	-	-
Theatre productions	8	87	-	-
Total	69	142	-	-

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	5,533,517	8,339,331	-	-
Social security costs	608,774	597,665	-	-
Pension costs	476,662	357,708	-	-
	6,618,953	9,294,704	-	-

6 Operating profit/(loss)

	2023 £	2022 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(2,373)	243,760
Depreciation of owned tangible fixed assets	641,269	707,738
Loss on disposal of tangible fixed assets	822	2,518
Amortisation of intangible assets	388,369	60,207
Impairment of intangible assets	-	7,568,635
Operating lease charges	99,739	754,795

7 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	45,800	29,900
Audit of the financial statements of the company's subsidiaries	68,000	98,700
	113,800	128,600

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

7 Auditor's remuneration (Continued)

For other services

Statutory accounts preparation	43,700	38,800
Taxation compliance services	40,650	49,700
Other services	34,169	105,250
	<u>118,519</u>	<u>193,750</u>

8 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	1,789,155	1,518,440
Company pension contributions to defined contribution schemes	130,936	69,350
	<u>1,920,091</u>	<u>1,587,790</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2022: 7).

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

	2023 £	2022 £
Remuneration for qualifying services	<u>390,645</u>	<u>290,342</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

	2023 £	2022 £
Interest income		
Interest on bank deposits	<u>73,871</u>	<u>24,351</u>

10 Interest payable and similar expenses

	2023 £	2022 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>356,177</u>	<u>360,887</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

11 Fair value gains and losses

	2023 £	2022 £
Fair value gains/(losses) on financial instruments		
(Loss)/gain on financial liabilities held at fair value through profit or loss	(77,563)	147,171
	<u> </u>	<u> </u>

12 Taxation

	2023 £	2022 £
Current tax		
Other tax reliefs	-	(329,119)
Foreign current tax on profits for the current period	101,032	3,570
	<u> </u>	<u> </u>
Total current tax	101,032	(325,549)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	138,664	(779,164)
Adjustment in respect of prior periods	280,000	138,299
	<u> </u>	<u> </u>
Total deferred tax	418,664	(640,865)
	<u> </u>	<u> </u>
Total tax charge/(credit)	519,696	(966,414)
	<u> </u>	<u> </u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

12 Taxation

(Continued)

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

	2023 £	2022 £
Profit/(loss) before taxation	10,203,968	(3,888,127)
<i>Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)</i>	2,091,813	(738,744)
Tax effect of expenses that are not deductible in determining taxable profit	10,162	648,254
Tax effect of income not taxable in determining taxable profit	(47,425)	(263,450)
Tax effect of utilisation of tax losses not previously recognised	-	69,829
Adjustments in respect of prior years	280,000	138,299
Depreciation on assets not qualifying for tax allowances	122,581	(13,732)
Other permanent differences	(377)	-
Deferred tax adjustments in respect of prior years	(2,907,431)	(615,818)
Foreign exchange differences	-	2,071
UK Theatre tax credit	-	(329,119)
Foreign tax credits	17,156	-
Share of profit from associates outside of profit or loss	(1,146,827)	60,283
Losses eliminated	1,299,084	-
Remeasurement of deferred tax for change in rates	504,454	-
Withholding tax adjustments in respect of prior years	(73,078)	-
Joint venture income recognised outside of profit or loss	369,584	75,713
Taxation charge/(credit)	519,696	(966,414)

13 Impairments

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

	Notes	2023 £	2022 £
In respect of:			
Intangible assets	14	-	7,568,635
Recognised in:			
Exceptional items		-	7,568,635

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

13 Impairments

(Continued)

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

14 Intangible fixed assets

Group	Copyrights		Total
	£	£	£
Cost			
At 1 July 2022	1,232,291	15,527,047	16,759,338
Exchange adjustments	-	(749,241)	(749,241)
At 30 June 2023	1,232,291	14,777,806	16,010,097
Amortisation and impairment			
At 1 July 2022	1,102,026	13,100,797	14,202,823
Amortisation charged for the year	60,207	328,162	388,369
Exchange adjustments	-	(254,201)	(254,201)
At 30 June 2023	1,162,233	13,174,758	14,336,991
Carrying amount			
At 30 June 2023	70,058	1,603,048	1,673,106
At 30 June 2022	130,265	2,426,250	2,556,515

The company had no intangible fixed assets at 30 June 2023 or 30 June 2022.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

15 Tangible fixed assets

Group	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Theatre sets	Total
	£	£	£	£	£
Cost					
At 1 July 2022	21,525,776	1,954,191	109,903	142,237	23,732,107
Additions	-	43,162	-	-	43,162
Disposals	-	(9,107)	-	-	(9,107)
At 30 June 2023	21,525,776	1,988,246	109,903	142,237	23,766,162
Depreciation and impairment					
At 1 July 2022	1,741,999	1,660,905	96,166	138,640	3,637,710
Depreciation charged in the year	406,780	217,155	13,737	3,597	641,269
Eliminated in respect of disposals	-	(6,386)	-	-	(6,386)
At 30 June 2023	2,148,779	1,871,674	109,903	142,237	4,272,593
Carrying amount					
At 30 June 2023	19,376,997	116,572	-	-	19,493,569
At 30 June 2022	19,783,777	293,286	13,737	3,597	20,094,397

The company had no tangible fixed assets at 30 June 2023 or 30 June 2022.

16 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	27	-	-	443,550	443,550
Investments in joint ventures	28	5,148,689	5,000,418	-	-
Investments in productions		-	157,053	-	-
		5,148,689	5,157,471	443,550	443,550

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

16 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

	Investments in joint ventures	Investments in productions	Total
	£	£	£
Cost or valuation			
At 1 July 2022	5,000,418	157,053	5,157,471
Additions	453,596	-	453,596
Share of profit for the year	5,594,277	-	5,594,277
Return of capital invested	(3,300,000)	(157,403)	(3,457,403)
Foreign exchange on translating overseas entities	-	350	350
Share of distributions received during the year	(2,599,602)	-	(2,599,602)
	<u>5,148,689</u>	<u>-</u>	<u>5,148,689</u>
At 30 June 2023	5,148,689	-	5,148,689
Carrying amount			
At 30 June 2023	<u>5,148,689</u>	<u>-</u>	<u>5,148,689</u>
At 30 June 2022	<u>5,000,418</u>	<u>157,053</u>	<u>5,157,471</u>

Movements in fixed asset investments Company

Shares in group undertakings

	£
Cost or valuation	
At 1 July 2022 and 30 June 2023	<u>443,550</u>
Carrying amount	
At 30 June 2023	<u>443,550</u>
At 30 June 2022	<u>443,550</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

17 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	167,532	445,623	1	1
Corporation tax recoverable	104,016	475,857	-	-
Other debtors	626,811	874,315	-	-
Prepayments and accrued income	4,278,572	5,444,233	-	-
	<u>5,176,931</u>	<u>7,240,028</u>	<u>1</u>	<u>1</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 21)	<u>713,521</u>	<u>852,185</u>	<u>-</u>	<u>-</u>
Total debtors	<u>5,890,452</u>	<u>8,092,213</u>	<u>1</u>	<u>1</u>

18 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	19	9,280,241	570,000	-	-
Other borrowings	19	-	1,324,193	-	-
Trade creditors		1,394,523	1,184,850	-	-
Amounts owed to undertakings in which the group has a participating interest		35,795	38,129	-	-
Corporation tax payable		82,750	85,230	-	-
Other taxation and social security		26,716	198,642	-	-
Other creditors		2,292,551	2,324,703	-	-
Accruals and deferred income		12,295,339	15,256,204	-	-
		<u>25,407,915</u>	<u>20,981,951</u>	<u>-</u>	<u>-</u>

Amounts due to undertakings in which the group has participating interest are interest free and repayable on demand.

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

19 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	9,280,000	9,850,000	-	-
Bank overdrafts	241	-	-	-
Investor capital loans	-	1,593,802	-	-
Other loans	-	1,324,193	-	-
	<u>9,280,241</u>	<u>12,767,995</u>	<u>-</u>	<u>-</u>
Payable within one year	9,280,241	1,894,193	-	-
Payable after one year	-	10,873,802	-	-
	<u>-</u>	<u>10,873,802</u>	<u>-</u>	<u>-</u>

Bank loans of £9,280,000 represent the balance owing to Handelsbanken plc under a secured, amortising loan agreement entered into in 2018 by The Really Useful Group Limited. This loan agreement also provided the group with a £4,000,000 overdraft which was not drawn at the year end. The loan agreement matured in August 2023 and was repaid in full. Concurrently, The Really Useful Group Limited entered into a new, three year £7,000,000 revolving credit facility and £1,500,000 overdraft with Handelsbanken plc. The new facility is secured via a charge over the freehold land and buildings with a net book value of £19,376,997 (2022: £19,783,777) and a group composite guarantee over the assets of the group and carries an interest rate of 1.7% over SONIA.

Investor capital loans are repayable only out of the productions to which the loans relate. 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.

20 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	19	-	9,280,000	-	-
Other creditors		1,534,633	1,593,802	-	-
		<u>1,534,633</u>	<u>10,873,802</u>	<u>-</u>	<u>-</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

21 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 2023 £	Assets 2022 £
Group		
Capital allowances in excess of depreciation	396,742	566,650
Short term timing differences	-	6,089
Losses	316,779	279,446
	<u>713,521</u>	<u>852,185</u>

22 Share capital

	Group and company 2023 £	2022 £
Ordinary share capital Issued and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

23 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	476,662	357,708
	<u>476,662</u>	<u>357,708</u>

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 £nil (2022: £44,151) 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 2023

24 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 £13,752,311 (2022: £5,344,758) due to Lord Lloyd Webber. At the year end £1,171,626 (2022: £44,067) 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.

During the year the company made sales of £6,412 (2022: £13,248) to, and purchases of £19,344 (2022: £25,288) from Escaway Limited, a related party by virtue of common control in respect of recharges. At the year end, the company owed £nil to (2022: £5,907) Escaway Limited.

Payments to third parties

During the year the company made purchases of £149,867 (2022: £147,652) from LW Theatres Group Limited, a related party by virtue of common control. At the year end, the company owed £nil to (2022: £nil) LW Theatres Group Limited.

During the year the company made sales of £363,761 (2022: £500,918) to LW Theatres Group Limited, a related party by virtue of common control. At the year end, the company was owed £44,046 (2022: £63,281) by LW Theatres Group Limited.

During the year the company made sales of £nil (2022: £97) to The Other Songs Limited, a related party by virtue of common control.

During the year, the company made purchases of £122,219 (2022: £89,734) from Lady Lloyd Webber in respect of rent payments. At the year end, the company owed £nil (2022: £nil) to Lady Lloyd Webber.

Joint venture undertakings

During the year, income from joint venture undertakings totalled £11,966,034 (2022: £1,834,946). At the year end, the group was owed £527,082 (2022: £162,761) by joint venture undertakings.

The group made purchases on behalf of joint venture undertakings during the year of £526,881 (2022: £nil). The group has assessed the recoverability of the amounts due from joint venture undertakings and based on this assessment, a provision of £526,881 has been recognised in the profit and loss account for the year.

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 2023

26 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 2023 £	2022 £	Company 2023 £	2022 £
Within one year	239,445	239,744	-	-
Between two and five years	494,685	726,305	-	-
	<u>734,130</u>	<u>966,049</u>	<u>-</u>	<u>-</u>

Lessor

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	-	5,000	-	-
	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

27 Subsidiaries

Details of the company's subsidiaries at 30 June 2023 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Angel of Music Limited	1	Theatre producer	Ordinary		100.00
Cinders London Limited	1	Theatre producer	Ordinary		100.00
Cinders Production Company Limited	1	Theatre producer	Ordinary		100.00
Cinders Production Inc	2	Theatre producer	Ordinary		100.00
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	
Really Useful Productions Europe Limited	3	Non-trading	Ordinary		100.00
Really Useful Touring Inc	4	Theatre producer	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 Inc	4	Theatre producer	Ordinary		100.00
The Really Useful Broadway Limited	1	Theatre producer	Ordinary		100.00
The Really Useful Company Inc	4	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	4	Theatre producer	Ordinary		100.00
The Really Useful Theatre Company Limited	1	Theatre producer	Ordinary		100.00
U-Cast Limited	1	Dormant	Ordinary		100.00

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

27 Subsidiaries

(Continued)

Registered office address:

- 1 6 Catherine Street, London, United Kingdom, WC2B 5JY
- 2 c/o Wagner Johnson Productions, 130 West 42nd Street, New York, United States of America, NY 10036
- 3 Commercial House, Millbank Business Park, Lucan, Co. Dublin, Ireland, K78 X5W6
- 4 c/o Sauvigne & Company, LLP, Certified Public Accountants, 25 S. Service Road - Suite 100, Jericho, United States of America, NY 11753

The following entities have claimed exemption from audit under section 479A of the Companies Act 2006:

Company on Stage Limited
Cinders London Limited
Cinders Production Limited
Jacob & Sons Limited
Really Useful Films Limited
SOR Productions UK Limited
The Opera Ghost Limited
The Really Useful Broadway Limited
The Really Useful Film Co Limited

28 Joint ventures

Details of joint ventures at 30 June 2023 are as follows:

Name of undertaking	Registered	Nature of business	Class of	% Held	
	office key		shares held	Direct	Indirect
Amigos Para Siempre Limited	1	Theatre producer	Ordinary		50.00
Cinderella Broadway Limited Partnership	2	Theatre producer	Investor profit share entitlement		35.28
Phantom Productions London Limited	3	Theatre producer	Investor profit share entitlement		55.00
SOR Broadway Limited Partnership	4	Theatre producer	Ordinary		59.06
The Phantom Company Limited Partnership	5	Theatre producer	Investor profit share entitlement		27.00

Registered office addresses:

- 1 6 Catherine Street, London, United Kingdom, WC2 5JY

Really Useful Group Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2023

28 Joint ventures (Continued)

- 2 c/o Wagner Johnson Productions, 130 West 42nd Street, New York, United States of America, NY 10036
- 3 1-2 Bedford Square, London, United Kingdom, WC1B 3RB
- 4 230 West 41st Street, Suite 1703, New York, United States of America, NY 10036
- 5 1650 Broadway, Suite 800, New York, United States of America, NY 10019

29 Cash generated from group operations

	2023 £	2022 £
Profit/(loss) for the year after tax	9,684,272	(2,921,713)
Adjustments for:		
Share of results of associates and joint ventures	(5,594,277)	317,277
Taxation charged/(credited)	519,696	(966,414)
Finance costs	356,177	360,887
Investment income	(73,871)	(24,351)
Loss on disposal of tangible fixed assets	822	2,518
Amortisation and impairment of intangible assets	388,369	7,628,842
Depreciation and impairment of tangible fixed assets	641,269	707,738
Other gains and losses	77,563	(5,059,671)
Movements in working capital:		
Decrease/(increase) in debtors	1,691,256	(3,698,967)
(Decrease)/increase in creditors	(3,094,336)	8,348,536
Cash generated from operations	4,596,940	4,694,682

30 Analysis of changes in net funds/(debt) - group

	1 July 2022 £	Cash flows £	Exchange rate movements £	30 June 2023 £
Cash at bank and in hand	10,600,044	7,971,157	(249,282)	18,321,919
Bank overdrafts	-	(241)	-	(241)
	10,600,044	7,970,916	(249,282)	18,321,678
Borrowings excluding overdrafts	(11,150,000)	1,870,000	-	(9,280,000)
	(549,956)	9,840,916	(249,282)	9,041,678

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.