

Angel of Music Limited

Financial Statements

For Filing with Registrar

For the period ended 7 July 2019

Company Registration No. 11494252 (England and Wales)

Angel of Music Limited

Company Information

Directors	M G Wordsworth J L Koravos J C Quillan	(Appointed 17 June 2019)
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Company number	11494252
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Registered office	6 Catherine Street London United Kingdom WC2B 5JY
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Auditor	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
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Business address	6 Catherine Street London United Kingdom WC2B 5JY
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Angel of Music Limited

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Angel of Music Limited

Balance Sheet

As at 7 July 2019

	Notes	2019 \$	\$
Fixed assets			
Intangible assets	3		5,401,756
Current assets			
Debtors	4	3,018,889	
Cash at bank and in hand		3,752,479	
		<u>6,771,368</u>	
Creditors: amounts falling due within one year	5	<u>(12,142,913)</u>	
Net current liabilities			<u>(5,371,545)</u>
Total assets less current liabilities			<u>30,211</u>
Provisions for liabilities			<u>(1,026,334)</u>
Net liabilities			<u><u>(996,123)</u></u>
Capital and reserves			
Called up share capital	6		3
Profit and loss reserves			<u>(996,126)</u>
Total equity			<u><u>(996,123)</u></u>

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

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 11 March 2020 and are signed on its behalf by:

J C Quillan
Director

Company Registration No. 11494252

Angel of Music Limited

Statement of Changes in Equity

For the period ended 7 July 2019

		Share capital	Profit and loss reserves	Total
	Notes	\$	\$	\$
Period ended 7 July 2019:				
Loss and total comprehensive income for the period		-	(996,126)	(996,126)
Issue of share capital	6	3	-	3
		<hr/>	<hr/>	<hr/>
Balance at 7 July 2019		3	(996,126)	(996,123)
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Angel of Music Limited

Notes to the Financial Statements

For the period ended 7 July 2019

1 Accounting policies

Company information

Angel of Music Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6 Catherine Street, London, United Kingdom, WC2B 5JY.

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 as applicable to companies subject to the small companies regime.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken the following exemptions under the small companies regime:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The company suffered an exceptional bad debt of \$3,611,212 in the year due to the collapse of the tour promoter group Lunchbox Theatricals in Asia, through whom the company had contracted the three tour locations (Manila, Singapore and Kuala Lumpur) visited in these financial statements. The company's cash flow is supported by loans from the co-producers which are not repayable until such time as the company can afford to do so. The co-producers remain liable for the losses in the period in the proportions of 60% to The Really Useful Group Limited and 40% to Troika Entertainment LLC.

Excluding the exceptional bad debt, the production is returning running profits in all locations and has high audience attendance rates. The directors have produced detailed cashflow forecasts and budgets to manage cashflow over the coming years. The directors are confident that the production will recoup before the end of the tour.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The company was incorporated on 1 August 2018 and these accounts are therefore the first for the entity. A statutory year end near to 30 June has been chosen to align with the reporting date of the parent company, however the exact date of 7 July 2019 has been used in these financial statements in order to align with the end of a production touring location.

Angel of Music Limited

Notes to the Financial Statements (Continued)

For the period ended 7 July 2019

1 Accounting policies

(Continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from theatrical productions is recognised by reference to the performance date.

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.

The company 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 company 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.

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:

Capitalised Pre-Production Costs	Over the life of the production *
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* 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 Impairment of fixed assets

At each reporting period end date, the company 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.

Angel of Music Limited

Notes to the Financial Statements (Continued)

For the period ended 7 July 2019

1 Accounting policies

(Continued)

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

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

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

1.7 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.

1.8 Financial instruments

The company has only basic financial instruments measured at amortised cost, with no financial instruments classified as other, or basic financial instruments measured at fair value.

1.9 Equity instruments

Equity instruments issued by the company 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 company.

1.10 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Angel of Music Limited

Notes to the Financial Statements (Continued)

For the period ended 7 July 2019

1 Accounting policies

(Continued)

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 when the company has 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.

1.11 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.

1.12 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 45.

Angel of Music Limited

Notes to the Financial Statements (Continued)

For the period ended 7 July 2019

3 Intangible fixed assets

Capitalised Pre-Production Costs \$

Cost

At 1 August 2018

-

Additions

6,320,193

At 7 July 2019

6,320,193

Amortisation and impairment

At 1 August 2018

-

Amortisation charged for the period

918,437

At 7 July 2019

918,437

Carrying amount

At 7 July 2019

5,401,756

4 Debtors

2019

Amounts falling due within one year:

\$

Trade debtors

891,395

Corporation tax recoverable

388,157

Other debtors

367,478

1,647,030

Amounts falling due after more than one year:

Deferred tax asset

1,371,859

Total debtors

3,018,889

5 Creditors: amounts falling due within one year

2019

\$

Trade creditors

274,255

Other taxation and social security

58,708

Other creditors

11,809,950

12,142,913

Angel of Music Limited

Notes to the Financial Statements (Continued)

For the period ended 7 July 2019

6 Called up share capital

	2019
	\$
Ordinary share capital	
Issued and fully paid	
2 Ordinary Shares of £1 each	3
	<u> </u>

On incorporation the company issued 2 Ordinary Shares of £1 each. This translates as \$3 in the company's reporting currency.

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Mark Twum-Ampofo.

The auditor was Moore Kingston Smith LLP.

8 Related party transactions

During the period the company made purchases of \$144 from LW Theatres Group Limited, a related party by virtue of common directorships. No amounts were outstanding at the period end.

9 Parent company

The immediate parent company is The Really Useful Group Limited, a company incorporated in England and Wales.

The ultimate parent company and the parent company of the smallest and largest group for which group accounts are prepared and of which the company is a member is Really Useful Group Investments Limited, a company incorporated in England and Wales. Its registered address is 6 Catherine Street, London, WC2B 5JY. A copy of the group accounts of Really Useful Group Investments Limited may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is The Lord Lloyd Webber, who is the owner of the ultimate parent company.

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.