

Angel of Music Limited

Financial Statements

For the year ended 30 June 2022

For Filing with Registrar

Company Registration No. 11494252 (England and Wales)

Angel of Music Limited

Company Information

Directors	J L Koravos J C Quillan C Farmer M Lowes	(Appointed 31 March 2022) (Appointed 31 March 2022)
Company number	11494252	
Registered office	6 Catherine Street London United Kingdom WC2B 5JY	
Auditor	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL	
Business address	6 Catherine Street London United Kingdom WC2B 5JY	

Angel of Music Limited

Contents

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

Angel of Music Limited

Balance Sheet

As at 30 June 2022

	Notes	2022 \$	\$	2021 \$	\$
Fixed assets					
Intangible assets	4		904,246		2,607,540
Current assets					
Debtors	5	65,503		333,768	
Cash at bank and in hand		4,873,423		3,516,387	
		<u>4,938,926</u>		<u>3,850,155</u>	
Creditors: amounts falling due within one year	6	<u>(3,667,102)</u>		<u>(8,333,332)</u>	
Net current assets/(liabilities)			<u>1,271,824</u>		<u>(4,483,177)</u>
Total assets less current liabilities			2,176,070		(1,875,637)
Creditors: amounts falling due after more than one year	7		(4,933,685)		-
Net liabilities			<u>(2,757,615)</u>		<u>(1,875,637)</u>
Capital and reserves					
Called up share capital	8		3		3
Profit and loss reserves			(2,757,618)		(1,875,640)
Total equity			<u>(2,757,615)</u>		<u>(1,875,637)</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 6 February 2023 and are signed on its behalf by:

J C Quillan
Director

Company Registration No. 11494252

Angel of Music Limited

Notes to the Financial Statements

For the year ended 30 June 2022

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.

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 a period of not less than twelve months from the date of approval of these financial statements.

The company's cash flow is supported by loans from the co-producers of £4,933,689 (2021: £4,933,689). These loans are repayable only out of net profits of the production and until such time as relevant profits are available no repayments fall due. The structure of the loans is therefore such that repayments can never prevent the company from meeting its other debts as they fall due and repayments cannot fall due if the company has insufficient funds to make such repayment. At the year end no production was running and no production is due to run within 12 months of the end of the accounting period therefore the loans have been presented as falling due after more than one year.

With the support given by the co-producers, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

1.4 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.

Angel of Music Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

1 Accounting policies

(Continued)

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 *
----------------------------------	-----------------------------------

* 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 of the amortisation period being accounted for prospectively.

1.5 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.

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.

1.6 Cash and cash equivalents

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

1.7 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.

Angel of Music Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

1 Accounting policies

(Continued)

1.8 Equity instruments

Equity instruments issued by the company 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 company.

1.9 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.

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.

1.10 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.

1.11 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.

Angel of Music Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

Capitalised pre-production costs

Pre-production costs which relate specifically to the English language touring production of Phantom of the Opera have been impaired in full during the current period due to Covid-related restrictions imposed in China which have prevented the continuation of the tour. In assessing whether those pre-production costs which will benefit a future production of the tour have a value in use the directors have had to assess the likely profitability of the future tour. Recent relaxations in China's Covid-related restrictions have increased the level of confidence in these forecasts although a degree of uncertainty remains.

3 Employees

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

	2022 Number	2021 Number
Total	-	31

Angel of Music Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

4 Intangible fixed assets

	Capitalised Pre-Production Costs
	\$
Cost	
At 1 July 2021 and 30 June 2022	6,387,569
Amortisation and impairment	
At 1 July 2021	3,780,029
Impairment losses	1,703,294
At 30 June 2022	5,483,323
Carrying amount	
At 30 June 2022	904,246
At 30 June 2021	2,607,540

An impairment loss of \$1,703,294 has been recognised in administrative expenses in the profit and loss account in relation to pre-production costs previously capitalised in respect of the English language touring production of Phantom of the Opera. Covid-related restrictions imposed in China have prevented the continuation of the tour. The directors have performed a review of capitalised pre-production costs to identify those costs which no longer have any value in use and those which will have value in relation to a future tour. In relation to a future tour the directors have also assessed the likely profitability of such tour to determine whether that value in use can be supported. Pre-production costs with no value in use or whose value in use cannot be supported have been impaired in full.

5 Debtors

	2022	2021
	\$	\$
Amounts falling due within one year:		
Trade debtors	-	12,175
Corporation tax recoverable	-	276,167
Other debtors	65,503	45,426
	65,503	333,768

Angel of Music Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

6 Creditors: amounts falling due within one year

	2022	2021
	\$	\$
Trade creditors	279,500	1,037
Taxation and social security	-	6,104
Other creditors	3,387,602	8,326,191
	<u>3,667,102</u>	<u>8,333,332</u>

7 Creditors: amounts falling due after more than one year

	2022	2021
	\$	\$
Other creditors	4,933,685	-
	<u>4,933,685</u>	<u>-</u>

The amounts disclosed within other creditors are investment loans repayable only out of net profits of the production. No production is currently running or is due to run within 12 months of the end of the accounting period therefore creditors whose repayments are related to the performance of the production are entitled to no repayments during that time and have been presented as payable after more than one year.

8 Called up share capital

	2022	2021
	\$	\$
Ordinary share capital		
Issued and fully paid		
2 Ordinary Shares of £1 each	3	3
	<u>3</u>	<u>3</u>

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

9 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 and the auditor was Moore Kingston Smith LLP.

10 Related party transactions

During the year the company made no purchases (2021 - \$25,300) from Box Five Productions Limited, a related party by virtue of common directorships. No amounts were outstanding at the year end.

Angel of Music Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

11 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 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.