

# **Box Five Productions Limited**

Report and Financial Statements

Period 6 April 2020 to 31 March 2021

Company Number 12254617



# **Box Five Productions Limited**

## **Report and financial statements for the period 6 April 2020 to 31 March 2021**

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### **Directors**

A A Finch CBE  
R T Knibb  
J L Koravos  
J C Quillan

### **Secretary and registered office**

R T Knibb, 1 - 2 Bedford Square, London, WC1B 3RB

### **Company number**

12254617 (England and Wales)

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# Box Five Productions Limited

## Strategic report for the period 6 April 2020 to 31 March 2021

The directors present their strategic report for the period 6 April 2020 to 31 March 2021.

### Principal activities, business review and future developments

The principal activity of the company is that of the production and management of the dramatic-musical work 'The Phantom of the Opera'. The company received insurance receipts in the period resulting from business interruption insurance and made use of the Government Coronavirus Job Retention scheme where applicable and available. The company ceased to actively trade in the previous accounting period and the directors are in the process of winding down the affairs of the company. As a result, these financial statements have been prepared on a basis other than that of a going concern.

### Principal risks and uncertainties

On the 16 March 2020 the UK government announced that the public should not visit theatres to minimise the spread of coronavirus COVID 19 and all UK theatres subsequently closed. These events led to the unexpected permanent closure of the Phantom of the Opera UK Tour. The directors continue to carefully monitor the affairs of the company in order to achieve an orderly winding down.

### Key performance indicators

The board drives business performance through setting clearly defined budgets from which it derives key performance indicators, taking appropriate action where required to enhance the financial results of the business. The company considers its key performance indicators to be:

- Show attendance and advance bookings figures and how they compare to budget.
- Operating margins and how they compare to budget.
- Overhead expenditure and how it compares to budget.

### Financial risks

The main financial risks arising from the company's activities are credit risk, interest rate risk and liquidity risk. The directors monitor these risks on an ongoing basis and do not consider them to be significant.

The company's risk mitigation policy, in respect of credit risk, is to only deal with established reputable companies. The board does not consider this to be a significant risk.

The company does not consider interest rate risk to be significant. The company holds its cash reserves in a mixture of short term deposits and current accounts which earn interest at a floating rate.

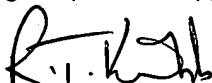
The working capital requirements of the company are funded principally out of shareholder loans and cash reserves.

### Results and dividends

The income statement and statement of comprehensive income shows the turnover and result for the period. Dividends of £1,015,027 were paid in the period.

### Approval

This strategic report was approved on behalf of the board.



R T Knibb  
Director

Date: 29/7/21

# **Box Five Productions Limited**

## **Directors' report for the period 6 April 2020 to 31 March 2021**

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The directors present their report with the financial statements of the company for the period.

### **Strategic report**

A review of the business for the period 6 April 2020 to 31 March 2021 is included in the strategic report on page 1.

### **Dividends**

Ordinary dividends were paid amounting to £1,015,027. The directors do not recommend the payment of a final dividend.

### **Directors**

The directors who have held office during the period to the date of this report are as follows:

A A Finch CBE (Appointed 26 August 2020)  
R T Knibb  
J L Koravos  
J C Quillan  
N D Allott OBE (resigned 26 August 2020)

All the directors who are eligible offer themselves for election at the forthcoming Annual General Meeting.

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 company and of the profit or loss of the company 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

As stated in note 2 to the financial statements, the directors do not consider the company to be a going concern and in consequence these financial statements have not been prepared on the going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Subsequent events**

Subsequent to the year-end, the work in progress was sold for its book value.

# Box Five Productions Limited

## Directors' report for the period 6 April 2020 to 31 March 2021 (*continued*)

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### Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditor

The auditor, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the Board:



R T Knibb  
Director

Date: 29/7/21

# **Box Five Productions Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF BOX FIVE PRODUCTIONS LIMITED**

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Box Five Productions Limited ("the Company") for the period ended 31 March 2021 which comprise the income statement and statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter – Financial statements prepared on a basis other than that of going concern.**

We draw your attention to note 2 to the financial statements which explains that the company has ceased to trade and the directors intend to wind the company up in due course. Accordingly, the financial statements have been prepared on a basis other than that of a going concern as described in note 2. Our opinion is not modified in respect of this matter.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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

# **Box Five Productions Limited**

## **Independent auditor's report (continued)**

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### **Other information (continued)**

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.

### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the 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.

In the light of the knowledge and understanding of the Company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 Company or to cease operations, or have no realistic alternative but to do so.

# Box Five Productions Limited

## Independent auditor's report (*continued*)

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### **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.

#### *Extent to which the audit was 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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, the Companies Act of 2006, and the relevant tax regulations.
- We understood how the company is complying with those frameworks by making enquiries of management, those charged with governance and responsible for legal and compliance procedures.
- Our audit planning identified fraud risks in relation to management override. We considered the processes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors that processes and controls.
- We designed our audit procedures to detect irregularities, including fraud. Our procedures included journal entry testing, with a focus on large or unusual transactions based on our knowledge of the business; enquiries with those charged with governance and company Management.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **Box Five Productions Limited**

## **Independent auditor's report (*continued*)**

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### **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 so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Andrew Viner** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Box Five Productions Limited

## Income statement and statement of comprehensive income for the period 6 April 2020 to 31 March 2021

|   | Note | 2021<br>£   | 2020<br>£   |
|---|------|-------------|-------------|
| <b>Turnover</b>   |      | 25,300      | 847,444     |
| Cost of sales   |      | (4,793,912) | (5,469,535) |
| <b>Gross Loss</b>   |      | (4,768,612) | (4,622,091) |
| Administrative expenses   |      | (25,000)    | (26,500)    |
| Other operating income  | 4    | 9,395,489   | 46,715      |
| <b>Operating profit/(loss) before taxation</b>  | 4    | 4,601,877   | (4,601,876) |
| Taxation credit   | 5    | 339,979     | 1,015,026   |
| <b>Profit/(loss) on ordinary activities after taxation<br/>and total comprehensive income</b> |      | 4,941,856   | (3,586,850) |

The notes on pages 12 to 19 form part of these financial statements.

# Box Five Productions Limited

Balance sheet  
at 31 March 2021

|  | Note | 2021<br>£        | 2020<br>£          |
|--|------|------------------|--------------------|
| <b>Current assets</b>                                  |      |                  |                    |
| Work in progress                                       | 6    | 1,567,000        | 1,600,000          |
| Debtors  | 7    | 470,952          | 1,884,570          |
| Cash at bank and in hand                               |      | 1,348,991        | 361,402            |
|  |      | <u>3,386,943</u> | <u>3,845,972</u>   |
| <b>Creditors: amounts falling due within one year</b>  | 8    | (3,046,962)      | (7,432,820)        |
|  |      | <u>339,981</u>   | <u>(3,586,848)</u> |
| <b>Net current assets/ (liabilities)</b>               |      | <u>339,981</u>   | <u>(3,586,848)</u> |
| <b>Total assets less current assets/ (liabilities)</b> |      | <u>339,981</u>   | <u>(3,586,848)</u> |
| <b>Capital and reserves</b>                            |      |                  |                    |
| Called up share capital                                | 9    | 2                | 2                  |
| Retained earnings                                      |      | 339,979          | (3,586,850)        |
|  |      | <u>339,981</u>   | <u>(3,586,848)</u> |
| <b>Shareholders' funds</b>                             |      | <u>339,981</u>   | <u>(3,586,848)</u> |

The financial statements were approved by the Board of Directors on 29/7/21 and were signed on its behalf by:



A A Finch CBE  
Director

The notes on pages 12 to 19 form part of these financial statements.

# Box Five Productions Limited

## Statement of changes in equity for the period 6 April 2020 to 31 March 2021

|  | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Total<br>equity<br>£ |
|--|------------------------------------|---------------------------|----------------------|
| <b>Period ended 5 April 2020</b>                     |                                    |                           |                      |
| Issue of share capital                               | 2                                  | -                         | 2                    |
| Loss and total comprehensive income for the period   | -                                  | (3,586,850)               | (3,586,850)          |
|  | <hr/>                              | <hr/>                     | <hr/>                |
| <b>Balance at 5 April 2020</b>                       | 2                                  | (3,586,850)               | (3,586,848)          |
|  | <hr/>                              | <hr/>                     | <hr/>                |
| <b>Period ended 31 March 2021</b>                    |                                    |                           |                      |
| Profit and total comprehensive income for the period | -                                  | 4,941,856                 | 4,941,856            |
| Dividends  | -                                  | (1,015,027)               | (1,015,027)          |
|  | <hr/>                              | <hr/>                     | <hr/>                |
| <b>Balance at 31 March 2021</b>                      | 2                                  | 339,979                   | 339,981              |
|  | <hr/>                              | <hr/>                     | <hr/>                |

The notes on pages 12 to 19 form part of these financial statements.

# Box Five Productions Limited

## Cash flow statement for the period 6 April 2020 to 31 March 2021

|  | 2021<br>£          | 2020<br>£          |
|--|--------------------|--------------------|
| <b>Cash flows from operating activities</b>              |                    |                    |
| Profit/(loss) for the financial period                   | 4,941,856          | (3,586,850)        |
| Adjustments for:   |                    |                    |
| Taxation credited  | (339,979)          | (1,015,026)        |
| Movements in working capital:                            |                    |                    |
| Decrease/(Increase) in work in progress                  | 33,000             | (1,600,000)        |
| Decrease/(Increase) in trade and other debtors           | 738,571            | (869,544)          |
| (Decrease)/Increase in trade and other creditors         | 1,814,142          | 1,232,820          |
|  | <u>7,187,590</u>   | <u>(5,838,600)</u> |
| <b>Cash from operations</b>                              |                    |                    |
| Taxation received  | 1,015,026          | -                  |
|  | <u>8,202,616</u>   | <u>(5,838,600)</u> |
| <b>Net cash used/generated in operating activities</b>   |                    |                    |
| <b>Financing activities</b>                              |                    |                    |
| Proceeds from issue of shares                            | -                  | 2                  |
| Proceeds from loans                                      | 350,000            | 6,200,000          |
| Repayment of loans                                       | (6,550,000)        | -                  |
| Dividends paid to equity shareholders                    | (1,015,027)        | -                  |
|  | <u>(7,215,027)</u> | <u>6,200,002</u>   |
| <b>Net cash used/generated from financing activities</b> |                    |                    |
| <b>Increase in cash and cash equivalents</b>             | 987,589            | 361,402            |
| Cash and cash equivalents at beginning of period         | 361,402            | -                  |
|  | <u>1,348,991</u>   | <u>361,402</u>     |
| <b>Cash and cash equivalents at end of period</b>        |                    |                    |
| <b>Cash and cash equivalents comprise:</b>               |                    |                    |
| Cash at bank and in hand                                 | 1,348,991          | 361,402            |

The notes on pages 12 to 19 form part of these financial statements.

# Box Five Productions Limited

## Notes to the financial statements for the period 6 April 2020 to 31 March 2021

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### 1. Statutory Information

Box Five Productions Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

### 2. Accounting policies

#### *Basis of preparing the financial statements*

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 pound.

#### *Going concern*

The company traded successfully until 16 March 2020 when theatres in the UK were closed following the UK government's announcement that the public should not visit theatres to minimise the spread of the coronavirus. In May 2020, in light of the continuing uncertainty the directors took the decision to close the production permanently. Consequently, the company ceased to actively trade in the previous accounting period and the directors are in the process of winding down the affairs of the company.

These financial statements have been prepared on a basis other than that of a going concern. There were no effects of preparing the financial statements on a basis other than that of going concern.

#### *Turnover*

Turnover is recognised at the fair value of theatre tickets and merchandising sales 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.

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

#### *Work in progress*

Work in progress represents capitalised pre-production costs, which are those development expenses incurred before a theatrical production is played before a live, paying audience for the first time. Such costs are initially recognised at cost and amortised over the expected lifetime of the production, subject to any impairment losses being recognised.

#### *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.

# Box Five Productions Limited

## Notes to the financial statements for the period 6 April 2020 to 31 March 2021 (*continued*)

### 2. Accounting policies - continued

#### *Financial instruments*

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

#### *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.

#### *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 company after deducting all of its liabilities.

#### *Basic financial liabilities*

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

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

#### *Derecognition of financial liabilities*

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

# Box Five Productions Limited

## Notes to the financial statements for the period 6 April 2020 to 31 March 2021 (continued)

### 2. Accounting policies - continued

#### *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.

#### *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.

#### *Provisions*

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

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

#### *Retirement benefits*

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

#### *Government grants*

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

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

Cash received under the UK Coronavirus Job Retention Scheme, in relation to employees who were on furlough at the time, was recognised through other operating income in the income statement.

#### *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.



# Box Five Productions Limited

## Notes to the financial statements for the period 6 April 2020 to 31 March 2021 (continued)

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### 2. Accounting policies - continued

#### *Insurance recoveries*

The company has insurance policies in place in respect of business continuity/interruption. The gross proceeds from claims under these policies are recognised in the income statement as other operating income when the receipt of the proceeds is confirmed as virtually certain.

#### *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.

#### *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.

#### *Accruals*

The company makes an estimate of accruals at the year end based on the invoices received after the year end and work undertaken which has not been invoiced based on quotations or estimates of amounts that are due for payment.

#### *Holiday pay accruals*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement.

#### *Production assets and pre-production costs*

Production assets are usually amortised taking account of various factors such as the remaining estimated life of the asset, market conditions, future estimated box office receipts and running costs, estimated of the production and projected disposal values of assets. However, there is a certain degree of judgment involved which calls on the expertise and experience of key management. Production assets are only carried forward where the residual value can be assessed with relative certainty.

#### *Production asset prepayments*

The company makes certain advance payments for theatrical assets including assets held for their service potential, which are generally recoupable from future performances. Advance payments are only carried forward where the directors consider the asset will have service value when the production reopens and to the extent of the expected service value remaining at that date.

# Box Five Productions Limited

## Notes to the financial statements for the period 6 April 2020 to 31 March 2021 (continued)

### 3. Employees and directors

|                       | 2021<br>£      | 2020<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 664,256        | 350,068        |
| Social security costs | 36,568         | 11,756         |
| Other pension costs   | 8,504          | 7,547          |
|                       | <u>709,328</u> | <u>369,371</u> |

The average monthly number of employees during the period was as follows:

|                                       | 2021      | 2020      |
|---------------------------------------|-----------|-----------|
| Cast, stage managers, crew, musicians | <u>25</u> | <u>45</u> |
| Directors' remuneration               | <u>-</u>  | <u>-</u>  |

Key management personnel include all directors of the company who together have authority and responsibility for planning, directing and controlling the activities of the company.

### 4. Operating profit

|  | 2021<br>£   | 2020<br>£ |
|--|-------------|-----------|
| The operating profit is stated after charging: |             |           |
| Government grants - CJRS                       | (405,826)   | (46,715)  |
| Insurance receipts                             | (8,989,663) | -         |
| Auditors' remuneration for audit services      | 13,500      | 15,000    |
| Amortisation of Work in progress               | -           | 167,195   |
| Impairment of Work in progress                 | -           | 3,343,817 |
|  | <u></u>     | <u></u>   |

### 5. Taxation

|  | 2021<br>£        | 2020<br>£          |
|--|------------------|--------------------|
| <b>Analysis of the tax credit</b>  |                  |                    |
| The tax credit on the profit for the period was as follows:              |                  |                    |
| Current tax:   |                  |                    |
| UK corporation tax   | (339,979)        | (1,015,026)        |
|  | <u></u>          | <u></u>            |
| Tax for the period is explained below:                                   |                  |                    |
| Result on ordinary activities before tax                                 | -                | -                  |
|  | <u></u>          | <u></u>            |
| Result on ordinary activities at standard rate of corporation tax of 19% | -                | -                  |
| Effects of:  |                  |                    |
| Theatre tax relief credit  | (339,979)        | (1,015,026)        |
|  | <u></u>          | <u></u>            |
| Current tax for the period   | <u>(339,979)</u> | <u>(1,015,026)</u> |

# Box Five Productions Limited

## Notes to the financial statements for the period 6 April 2020 to 31 March 2021 (continued)

### 5. Taxation (continued)

The current tax figure represents Theatre Tax Relief credits, introduced in the Finance Act 2014, payable to the company, that have arisen from expenditure on theatrical productions at 25% of 80% of EEA qualifying core expenditure.

### 6. Work in progress

|                  | 2021<br>£ | 2020<br>£ |
|------------------|-----------|-----------|
| Work in progress | 1,567,000 | 1,600,000 |

### 7. Debtors: amounts falling due within one year

|                             | 2021<br>£ | 2020<br>£ |
|-----------------------------|-----------|-----------|
| Trade debtors               | -         | 156,763   |
| Corporation tax recoverable | 339,979   | 1,015,026 |
| Other debtors               | 130,973   | 545,618   |
| Prepayments                 | -         | 167,163   |
|                             | 470,952   | 1,884,570 |

### 8. Creditors: amounts falling due within one year

|                                    | 2021<br>£ | 2020<br>£ |
|------------------------------------|-----------|-----------|
| Trade creditors                    | 26,340    | 101,384   |
| Amounts due to related parties     | 2,995,589 | 6,205,722 |
| Other taxation and social security | -         | 55,477    |
| Other creditors                    | -         | 4,985     |
| Accrued expenses                   | 25,033    | 1,065,252 |
|                                    | 3,046,962 | 7,432,820 |

### 9. Called up share capital

| Number: | Class:     | Nominal Value | 2021<br>£ | 2020<br>£ |
|---------|------------|---------------|-----------|-----------|
| 1       | Ordinary A | £1            | 1         | 1         |
| 1       | Ordinary B | £1            | 1         | 1         |
|         |            |               | 2         | 2         |

# Box Five Productions Limited

## Notes to the financial statements for the period 6 April 2020 to 31 March 2021 (continued)

### 10. Related parties disclosures

Box Five Limited is jointly owned by Cameron Mackintosh Limited (50%), and The Really Useful Group Limited (50%).

|   | 2021<br>£   | 2020<br>£ |
|---|-------------|-----------|
| <b>Cameron Mackintosh Limited</b>                                       |             |           |
| Brought Forward   | 3,205,723   | -         |
| Shareholder loan  | 350,000     | 3,200,000 |
| Loan repaid during the year   | (3,550,000) | -         |
| Unpaid share capital  | -           | (1)       |
| Accrued profits   | 1,347,938   | -         |
| Royalties, fees, recharged costs and dividends                          | 726,378     | 863,470   |
| Royalties, fees, recharged costs and dividends repaid in the period     | (731,929)   | (857,746) |
|   |             |           |
| Balance at period end   | 1,348,110   | 3,205,723 |
| <b>The Really Useful Group Limited</b>                                  |             |           |
| Brought Forward   | 2,999,999   | -         |
| Shareholder loan  | -           | 3,000,000 |
| Loan repaid during the year   | (3,000,000) | -         |
| Unpaid share capital  | -           | (1)       |
| Accrued profits   | 1,647,480   | -         |
| Royalties, fees, recharged costs and dividends                          | 607,065     | 46,404    |
| Royalties, fees, recharged costs and dividends repaid during the period | (607,065)   | (46,404)  |
|   |             |           |
| Balance at period end   | 1,647,479   | 2,999,999 |

### 11. Ultimate parent company

The Company is owned 50% by Cameron Mackintosh Limited and 50% by The Really Useful Group Limited by virtue of shares.

There is no single ultimate controlling party.

# Box Five Productions Limited

## Notes to the financial statements for the period 6 April 2020 to 31 March 2021 (*continued*)

### 12. Financial instruments

The Company's financial instruments may be analysed as follows:

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| <b>Financial assets</b>   |           |           |
| Financial assets that are debt instruments measured at amortised cost | 1,432,436 | 572,276   |
| <b>Financial liabilities</b>  |           |           |
| Financial liabilities measured at amortised cost                      | 3,046,962 | 7,377,343 |

Financial assets measured at cost comprise cash, trade debtors, and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, loans due to shareholders and accruals.